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Potential motivational effects of altered compensation rates in comparison to other type incentives on building principal performance

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POTENTIAL MOTIVATIONAL EFFECTS OF ALTERED COMPENSATION RATES IN COMPARISON TO OTHER TYPE INCENTIVES ON BUILDING PRINCIPAL PERFORMANCE

Portland State Univ., Oregon State Univ. and University of Oregon ED.D. 1986

POTENTIAL MOTIVATIONAL EFFECTS OF ALTERED COMPENSATION RATES IN COMPARISON TO OTHER TYPE INCENTIVES ON BUILDING PRINCIPAL PERFORMANCE

by

ALLAN PAUL DECKARD

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TO THE OFFICE OF GRADUATE STUDIES AND RESEARCH:

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AN ABSTRACT OF THE DISSERTATION OF Allan P. Deckard for the Doctor of Education in Public School Administration and Supervision presented on July 28, 1986.

Title: Potential Motivational Effects of Altered Compensation Rates in Comparison to Other Type Incentives on Building Principal Performance.

Jack Lind, Chairman

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The effective schools research has repeatedly concluded that effective schools are characterized by effective administrators. The desire, then, of local school boards to improve administrator performance has emerged, based upon the assumption that as building principal performance improves,

so does teacher performance, and ultimately, student performance.

Merit pay has received a great deal of attention in education recently as a means to motivate administrators towards improved performance. Merit pay is supported by the "physical-economic" school of thought which believes that individuals are "economically motivated". In contrast, the "work itself" or "job satisfaction" school of thought believes that individuals are best motivated by factors which affect job meaningfulness. Merit pay is viewed as a "hygiene" factor which may decrease job "dissatisfaction" but does not necessarily result in increased motivation.

This dissertation compared the "physical-economic" concept of altered compensation rates or merit pay, to the "job satisfaction" or "work itself" concept of increased job meaningfulness as a means to motivate principals towards improved performance. When given a list of incentives, principals were asked to choose between merit pay and other type incentives. Of the 312 principals surveyed, 244 responded for a 78% return rate with the following results: 28% preference for merit pay at the 5% level; 47% preference for merit pay at the 10% level; 63% preference for merit pay at the 15% level; and, 68% preference at the 20% level. Frequencies tallied and percents derived indicated a consistent preference for merit pay at the 15% and 20% levels irrespective of demographics. These results would seem to

indicate that "work meaningfulness" incentives are desirable to principals, but when paired against ever increasing levels of "potential monetary compensation", they loose their attractiveness.

Even though merit pay received a popular response from the principals surveyed at the higher levels offered, merit pay's track record is so poor as to suggest that better measurement methods need to be devised before such a program is initiated. According to the literature reviewed, it is doubtful that such an objective and equitable means of measurement is feasible without interfering in a principal's daily routine, thus reducing the principal's effectiveness.

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CHAPTER I

INTRODUCTION

Increased concern during the last decade on school improvement has resulted in all aspects of the educational environment being examined. The desire to keep the massive costs of public education to a minimum while simultaneously increasing school effectiveness, has resulted in an inordinate amount of public concern and scrutiny. School boards have been "under the gun" to meet the public demand for accountability for public tax dollars. Efforts have been made to reward excellence, reduce mediocracy and eliminate areas of waste. Specific public demands as identified by Howe (1983) include the following:

1. The need for schools to produce higher levels of literacy while simultaneously producing high school graduates with more mature behavior.

2. The need for schools to "shape up" academically.

3. The need for schools to produce students who have a high degree of personal integrity, respect for the law and respect for the rights of others.

4. The need to control the escalating cost of public education.

5. The need to provide a quality education for all

students irrespective of their social status, ethnicity or ability.

A field of study which has attempted to deal with the public demand for school improvement without additional funding is the "instructionally effective schools" research. Mann (1984) claims that "there is evidence that achievement can be changed by manipulating within school variables within existing resources" (p.256). This field of research has identified six factors which are common among those schools which are considered "instructionally effective". Mann (1984) lists these features in rank order as (1) teacher characteristics and behavior; (2) administrator characteristics and behavior; (3) student body composition factors; (4) school learning climate; (5) pupil evaluative procedures; and (6) curriculum materials. Even though the category of "administrator characteristics and behavior" is ranked second in importance in determining an "instructionally effective school", administrator characteristics and behavior are many times the focus for school improvement. Administrators become the primary focus for school improvement because of the relative ease to identify and change "administrator characteristics and behavior" in comparison to the other factors listed (Mann, 1984).

In his conclusion, Mann (1984) states that the "biggest obstacle to more schools becoming more instructionally

effective has to do with the attitudes and beliefs about what is possible, given the state of the art and science of teaching and learning for poor children" (p.266). He sees several policy implications for those districts that desire to produce instructionally effective schools:

1. Instructionally effective schools exist and can therefore be used as models for school improvement.

2. There is a group of factors which help create an instructionally effective school.

3. Instructionally effective schools can be realized within existing resources.

Finally, Mann (1984) states that "attitudes and beliefs are key to aspirations and school administrators are the paramount audience that needs to understand the instructionally effective school" (p.267).

A significant portion of the research conducted on public schools is the "school effectiveness" research, which encompasses the "instructionally effective schools" field of study. Murphy (1985) provides a framework for school effectiveness. Again, this author speaks to factors which can be changed within a school setting without a major increase in school financing. He divides his model into technological variables and school environment-climate variables. Technological variables include (1) a tightly coupled curriculum; (2) an opportunity to learn; (3) direct instruction; (4) clear academic mission and focus; (5)

instructional leadership; (6) frequent monitoring; and (7) structured staff development. School environment-climate variables include (1) opportunities for meaningful student involvement; (2) widespread rewards and recognition; (3) collaborative organizational processes; (4) high expectations; (5) home-school cooperation and support; (6) safe and orderly environment; and (7) student and staff cohesion and support. Murphy (1985) concludes his discussion by stating that the school principal is in the best position to provide the factors listed above. The principal must operate less as a business manager and more as an instructional leader. According to Murphy (1985), the principal "must set high standards, be optimistic, be good at structuring teacher rewards", and do more than just monitor classroom instruction by providing "more teacher supervision, staff development, and curriculum development" (p.364).

EFFECTIVE ADMINISTRATORS AS A KEY FOR IMPROVEMENT

The effective schools research has repeatedly concluded, among other things, that effective schools are characterized by effective administrators (Mann, 1984). The desire, then, of local school boards to improve administrator performance has emerged, based upon the assumption that as building administrators' performance improves, so does teacher performance and, ultimately, student performance. Thus,

developing a fair and equitable means of measuring administrator performance has become a major area of concern for local service districts.

In order to measure administrator performance, characteristics of effective administrators must be identified. Bolton (1980) generalizes effective administrator characteristics to "purposefullness" and "discernment" (p. 11). DeBevoise (1982) provides a more extensive list which includes the following characteristics:

1. A propensity to set clear goals and to have these goals serve as a continuous source of motivation.

2. A high degree of self-confidence and openness to others.

3. A tolerance for ambiquity.

4. A tendency to test the limits of interpersonal and organizational systems.

5. A sensitivity to the dynamics of power.

6. An analytical perspective.

7. The ability to be in charge of their jobs.

Sergiovanni (1984) views the characteristics of an effective principal categorically. These five categories are as follows:

1. Technical-derived from sound management techniques.

2. Human-harnessing available social and interpersonal resources.

3. Educational-expert knowledge about matters of

education and schooling.

4. Symbolic-focusing the attention of others on matters of importance to the school.

5. Cultural-building a unique school culture.

Cawelti (1984) lists the behaviors of an effective principal as (1)having vision; (2) being resourceful; (3) implementing school improvement processes; (4) providing instructional support; and (5) monitoring student outcomes.

And, if none of these lists provides enough effective administrator behaviors and characteristics for a district to consider, Klopf (1982) provides a comprehensive list of twenty-three characteristics including everything from "cultural pluralism" to "wisdom and judgement".

Once a district has determined what the characteristics of "effective administrators" are, the district must determine how it will motivate its management team to exhibit those behaviors which will result in the desired characteristics. The district goal, then, is to motivate administrators towards improved performance which, theoretically, will result in a more effective instructional program for students.

MERIT PAY AS A MEANS TO IMPROVE ADMINISTRATOR PERFORMANCE

Merit pay has received a great deal of attention in education lately as a means to motivate administrators

towards improved performance, which is probably due to the National Commission on Excellence in Education (1983) report entitiled "A Nation at Risk: The Imperative for Educational Reform". This report listed merit pay as a possible means of improving teacher performance and attracting better graduates into the field of education. The basic philosophy of those who support the concept of merit pay is that those who perform better should be rewarded accordingly. Merit pay is derived from the "industrial engineering" personnel management theory which believes that an individual "is mechanistically orientated and economically motivated and his needs are best met by attuning the individual to the most efficient work process" (Herzberg, 1968, p. 58). The "industrial engineering" or, as identified by Locke (1976), the "physical-economic" school of thought, has embraced merit pay as being a viable way to motivate administrators towards improved performance.

Contrastingly, the "job satisfaction" group as identified by Herzberg (1968) claims that individuals are best motivated by factors which are related to the nature of what an individual does such as (1) achievement; (2) recognition; (3) work itself; (4) responsibility; (5) advancement; and (6) growth (p. 57). "Hygiene factors" which effect job "dissatisfaction" as identified by Herzberg (1968) are (1) company policy and administration; (2) supervision; (3) relationship with supervisor; (4) work conditions; (5)

salary; and (6) security (p. 57)". According to this definition, then, "merit pay" (or salary) is simply a "hygiene factor" which may reduce job "dissatisfaction", but does not necssarily increase job "satisfaction" and therefore would not improve performance.

Merit pay was chosen as a comparative value to other types of incentives because of the current interest in the concept. Merit pay was not chosen because of any inherent value superior to other types of incentives available, nor because of its ease in implementation. As will be seen in our next chapter, merit pay is a highly controversial concept that has not been implemented with overwhelming success. It is a concept, though, that cannot be ignored or dismissed because of its relatively low rate of survival and difficulty of implementation. Merit pay is a concept that allows districts that desire to improve administrator performance a means by which it can recognize exemplary performance in a monetary way.

COMPARATIVE STUDY NEEDED

This dissertation will seek to compare the "physical-economic" concept of altered compensation rates, or "merit pay", to the "job satisfaction" concept of increased "work meaningfulness" as a means to motivate principals towards improved performance. When given a list of

incentives, will principals prefer "merit pay" or "job satisfaction" factors? If principals choose "money" over "job meaningfulness", what does this say about the profession? Are we to conclude that educators are best motivated by monetary compensation, and that factors such as "professional growth" are secondary in consideration? Should school boards encourage the type of mentality that sees money as the primary "calling" of young people into education rather that something much more "noble" such as "service to others"?

Due to the mixed track record of merit pay, a major expectation of this study is that administrators will find "job satisfaction" or "work itself" incentives more desirable than merit pay at the lower levels offered, but that merit pay will become increasingly desirable in comparison to "job satisfaction" factors as the amount of merit pay offered increases. In contrast to Herzberg's (1968) theory of "job satisfaction" and "dissatisfaction", it is expected that salary in terms of "merit pay" may operate as solely a hygiene factor at lower levels offered, but that as the amount of merit pay increases it begins to not only effect the level of "job dissatisfaction", but begins to operate as a "motivational " factor to effect "job satisfaction" as well. This expectation is supported by Friesen (1983) who identifies "adequate salary and benefits" as a motivational factor which affects "job satisfaction".

It is also anticipated, that due to the controversial nature of "merit pay", that principals will express concern as to the effect of "merit pay" on factors in addition to individual performance. The fact that merit pay raises questions of equity, "team" performance and measurability, it is expected that unless these issues are resolved that administrators will be reluctant to accept a "merit pay" plan and will opt for other incentives instead.

The purpose of this dissertation, then, will be to test the assumption that money is the best motivator in comparison to other types of incentives available. This study will seek to compare the incentive of merit pay to incentives which tend to effect the work itself to some degree, in an effort to determine which type of incentive has the greatest potential motivational effect on administrator performance.

The next chapter will provide a historical perspective of merit pay and will discuss the relevant issues surrounding merit pay. As will be seen in the discussion which follows, merit pay is a simplistic idea in concept only.

CHAPTER II

LITERATURE REVIEW

In an effort to encourage improved administrative performance, school districts have repeatedly looked at the concept of merit pay as a viable solution. Although merit pay is not a new concept for educators, the 1980's have again seen merit pay as a topic on school board agendas due to the increased public awareness of what effective schools are and who is primarily responsible for the right conditions to exist. As was discussed in the previous chapter, the "school effectiveness" research has developed a comprehensive list of characteristics that the "effective" principal should possess. The school principal has evolved from the traditional "big daddy" managerial role, to one of "effective" leadership. The principal has not been freed from the managerial responsibilities of a school building, but has been asked to become more efficient in time utilization so that activities such as staff development and instructional inprovement can receive more emphasis. Thus, districts have sought for a way to recognize superior performance as a means to encourage all administrators to become more effective in what they do. The purpose of this chapter will be to review the history of merit pay as a means

to improve administrator performance and to discuss current and proposed administrator merit pay programs.

A HISTORICAL PERSPECTIVE OF MERIT PAY

The President's National Commission on Excellence in Education certainly added renewed interest in the concept of merit pay with its report entitled "A Nation at Risk: The Imperative for Educational Reform" (1983). This highly publicized report suggested merit pay as a means of compensating educators for outstanding performance and as a means to attract new graduates into the field of education. Certainly, "the idea of rewarding people on the basis of how much or how well they produce has been around for a long time" (Kienappel, 1984, p. 87). Since Biblical times in which Christ used the illustration of stewardship regarding investment of talents, various forms of merit pay have been used or suggested (Kienappel, 1984).

Merit pay for educators has surfaced throughout the history of education. In the 1920's, when "scientific management" was the mode of the day, merit pay was seen as an "integral part of scientific management in education" (Johnson, 1984, p. 177). The rationale for merit pay during this era was that teachers performed differently and therefore should be compensated differently. Cubberly (1916, p. 10) suggested a merit pay plan that "would provide

a much better distribution of rewards; would offer more opportunity for the efficients to rise; would retain the best teachers in the service; and would give the school district better returns in efficiency to the money spent than does the present salary schedule". As a result of such encouragement, school districts widely adopted merit pay plans (Johnson, 1984).

With all this attention given to the potential benefits of merit pay in the twenties, surprisingly few efforts are recorded in the literature during the period of 1935 to 1955 (Johnson, 1984). Although there is little information available as to why many of these vaious merit pay plans received no substantial attention, or simply did not survive for a sustained period of time, one might surmise that the trial and error offort on the part of districts produced less than desirable results.

Merit pay again received public interest in the late 1950's, partially due to "teacher demands for higher salaries, manpower shortages, and fear that the quality of education was low" (Ovard, 1959, p. 59). Additional impetus was found for the adoption of merit pay plans due to the public concern over the Russians launching of Sputnik as well as a business push (Johnson, 1984). This time, though, districts were determined to learn from the earlier errors in merit pay adoption and attempted to develop more "sophisticated plans" (Johnson, 1984, p. 179). Interest in

merit pay plans again began to wane, though, from approximately ten percent of school districts using plans in the 1960's, to only five and a half percent by the end of 1972 (Porwoll, 1979, p. vi).

In the early 1980's, again a surge for merit pay has occured, largely due to conditions similar to those listed by Ovard (1959) as reasons for the renewed public interest in merit pay during the late 1950's. This time, though, the public support has been broadened due to such national reports as "A Nation at Risk". In fact, merit pay legislation has been "passed in Florida, and is on the docket in many states" (Johnson, 1984, p. 180). Obviously, with the mixed review that merit pay has received historically, revived efforts to institute merit pay need to be well conceived before implemented. Merit pay plans need to be measured against other viable ways in which districts can encourage improved performance without some of the ramifications such as increased cost which are inherent to merit pay. Any "quick fix" solution may result in higher costs without added improvement in performance, thus adding to the frustration of an already "overtaxed" public.

A plausible cause for unsuccessful implementation of merit pay plans is that programs require administrators who are committed to the concept of merit pay before the plan can succeed. Kienappel (1984, p. 92) believes that "the most important factor upon which the plan's success or failure

will depend, is the person(s) who administer the system". Furthermore, "the very best conceived merit pay system cannot withstand being administered by someone who is not committed to the concept of merit pay...and who is not committed to building trust in the system" (Kienappel, 1984, p. 92). Betchkal (1983, p. 16) repeats the same message in the following refrain: "Merit pay has been tried before in education--on and off since the turn of the century. Sometimes it has worked, but more often it hasn't. And in so far as we can tell, every time it's failed, a school board or school administration has been to blame".

A premise of this paper, then, is that the administrative team within a district must be committed to the concept of merit pay before it can work. Furthermore, the best way to sell administrators on the benefits of a merit pay plan for their staff is to have one for themselves with which they have experienced success. Therefore, it behooves a district which desires to implement a merit pay program to focus on plans for school administrators that have reportedly been "successful", and to identify the characteristics of those plans that are considered to be essential ingredients for a merit pay plan to succeed. Then the district must decide whether or not it has the appropriate setting and resources for a merit pay plan to succeed and that merit pay is a superior idea to others available to encourage improved performance.

The next section of this chapter will present existing merit pay plans in an effort to show that the development of a sound rationale and the existence of a committed board and administration are necessary before creation and implementation of a merit pay plan for administrators is advisable. A discussion will then follow as to the inherent problems of the merit pay concept, and what alternative programs a district may choose to use that are either adaptations of the merit pay concept or are based on a completely different school of thought as to what motivates individuals towards improved performance.

EXISTING PLANS

The next section of this dissertation is devoted to reviewing administrative merit pay plans that are currently in operation or under consideration. Major components of these several plans that appear to be essential to the survival of a merit pay program for administrators are identified and listed.

The Kienappel Plan

Essential ingredients to a successful administrative merit pay program as identified by Kienappel (1984), executive director for Houston Professional Administrators, include the following:

1. A sound district-wide decision making process.

2. An equitable salary schedule that accurately places administrative positions in a justifiable relationship with each other.

3. An accurate assessment process.

4. A formula to convert assessment scores into dollars.

5. A periodic and frequent process review.

Kienappel (1984) believes that merit pay for school administrators can be successful if the ingredients listed above exist along with the important ingredient of "trust". Trust is seen by Kienappel (1984) as the determining factor as to whether or not the merit pay system for school administrators will survive.

The Cavanaugh and Yoder Plan

Cavanaugh and Yoder (1984), present merit pay as an important contributor to a successful team management plan. The authors speak from their experience as educators in identifying the important components of a successful team management plan. The necessary parts to a viable system for team management as identifies by the authors include the following:

1. A commitment to change must be acknowledged by the board and superintendent.

2. The entire organization must be included within the model, and not just the administrative personnel.

3. There must be team participation in problem solving and goal setting.

4. Leaders must commit themselves to work to establish collaborative relationships and trust amongst team members.

5. A system of communication is needed to provide a regular flow of information among team members, including a continuous evaluation process.

6. Compensation must reflect the achievement of clearly defined and measureable goals and objectives.

The authors clearly see merit pay as the "capper" and not just the "frosting on the cake" to any successful administrative team management plan. The first five components as listed in this paper, though, are seen as essential if any merit pay system for school administrators is going to work successfully.

The Madison Plan

In Madison Elementary School District in Phoenix, Arizona, a merit pay program to evaluate school administrators has existed for several years. The program has experienced success according to Schaefer (1983), because it has overcome two major problem areas with merit pay programs:

1. Performance appraisal has been successfully linked to measureable outcomes such as "instructional improvement" or "cost savings".

2. "One-ups-manship, horn tooting, and back stabbing" due to subjective judgements have been avoided by direct participation of all administrators in developing an objective plan which has "shared perception" that employees ought to be paid according to the difficulty of their work as well as their performance.

Conceptual guidelines incorporated into the evaluation system include the following:

1. A process to ensure that target objectives are generated equitably among administrators.

2. A means of translating priorities and job targets into measureable terms.

3. A process for assessing performance as objectively and quantitatively with one another.

4. A system where administrators are not in competition with one another.

5. A system where the "weight" of a particular target objective is agreed upon between the evaluator and the evaluatee.

6. A process that allows for the designation of certain "district targets" to all administrators.

Areas which are measured by the Madison Plan include the following proportional weights indicated:

1. Target/Objective--40%

2. Job Responsibility--30%

3. Professional Growth--10%

4. Peer Rating--10%

5. Staff Rating--10%

A scale from one to five is used during the sixteen month cycle (February to September) to evaluate administrators. Data are collected both by the evaluator and the evaluatee.

Schaefer (1983, p. 13) recommends the following steps if a district is interested in adopting an administrative merit pay plan:

1. Review the status of the district's current evaluation program to see how it may be incorporated with the merit pay plan.

2. Develop a general framework for a merit pay plan.

3. Review a number of available evaluation forms to provide a basis from which to draw ideas.

4. Determine the sources or areas to be evaluated.

5. Ensure that any individual job target or goal is compatible with district goal priorities.

6. Develop or refine evaluation forms, ensuring that each area to be evaluated has documented assessment criteria.

7. Document the process continually.

8. Develop any necessary guidelines for clarifying the appraisal system.

9. Generate consistent rating measures.

10. Determine the amount of funds to be allocated to the merit pay plan and how they will be distributed in an

equitable manner.

Schaeffer (1983) concludes his presentation by stating that "merit pay can serve both the public and administration by ensuring that compensation is awarded as it is merited and deserved" (p. 14).

The Madison Plan is the most detailed plan available in the literature that deals specifically with administrator merit pay. The plan provides a thorough rationale for implementation of a merit pay system and seems to have avoided the usual pitfalls. Given these factors, though, it is still necessary that the system be administered by leaders who can be trusted to be fair and objective. The lengthy survival of the Madison Plan seems to support the existence of a trusted leadership.

It is difficult to know why the author of this plan, who as district superintendent, is also responsible for its implementation, has determined that the plan to be "successful". If Schaefer believes that the plan is successful solely because it has avoided the problems usually accompanying merit pay, then the degree of value of the program and cost effectiveness to the district is questionable. If, on the other hand, Schaefer believes that the merit pay plan is successful based upon marked improvement in administrator performance, then the plan has credibility. Even still, Schaefer has no way of knowing for certain that the merit pay plan was the cause for improved

performance, and that this change in behavior would not have occured anyway due to other operative factors within the district or within the individuals themselves. To make an appropriate detemination as to the success of the program, it would be helpful to have candid information illicited from those who live under the program. Possibly then some clues could be given beyond those provided by Schaefer as to the motivational effect of his merit pay plan on administrator performance in Madison School District.

North Salem Plan

Before the North Salem, New York, schools (enrollment: 1,100) decided to implement a merit pay plan for school administrators, the board had to decide on several issues (Toll, 1983, p. 38):

1. Should salaries be generous enough to keep able administrators on their jobs?

2. Should salaries be designed to encourage people to move on?

3. Should salaries maintain a specific rank among area schools?

4. Should salaries be "pegged" to teacher salaries?

After establishing a commitment to a progressive and competitive salary structure, the board agreed that it should be fair and comparable to other school systems of similar size. Then the board appointed a subcommittee to work on an

actual plan which resulted in the following classifications of five increment steps:

1. Unsatisfactory (0% raise).
2. Fair (1/2 of the average increment).
3. Good (equal to the average adjustment).
4. Excellent (1 and 1/2% above the average adjustment).
5. Outstanding (3% above the average adjustment).

It was agreed that the merit pay system was not to be used to "reduce administrative salaries" or to "beat languishing administrators into the dust, or to award every administrator a top rating" (p. 39). If any of these purposes had been followed, the whole merit pay program would have been viewed as a fallacious system.

The criteria for evaluating administrators for merit pay was based upon three sets of materials gathered (p. 39):

1. Self-examination materials produced by the administrators efforts to: (a) develop rationale for designing and implementing a program of inservice education for all staff; (b) ascertain which students are below grade level in the several skill areas and develop a plan to help students improve their performance; (c) adopt as a major concern--together with staff--a commitment to involve parents and parent groups in the school program.

2. Materials developed by an outside consultant: (a) develop a school climate within which children can learn and employees can work productively, happily, and creatively; (b)

develop a school in which all people, especially students, truly matter.

3. Materials used by the superintendent in his review of administrator performance.

The author concludes by stating his belief that if a merit pay system is implemented, "it probably will result in better administration and broader support for the evaluation process by your community. It also can be an ideal to which you can point when dealing with other employee groups" (p. 39).

Although the author does not indicate that there are any major problems with the merit pay program currently, it is suspected that unless more specificity in regards to the measurement of performance critieria exists, that the program will experience difficulty (Bolton, 1980). There is also some question left as to the role of the outside consultant and whether or not this factor might raise the important issue of trust. This plan also has the same problems mentioned in our discussion of the Madison Plan in determining whether merit pay has actually resulted in improved administrator performance that would not have occured anyway, or if the plan has actually created new problems which interfere with administrators' ability to perform effectively.

The Rialto Plan

An administrative merit pay program was initiated by the Board of Education of the Rialto Unified School District in 1977 (Rutton, 1979, p. 28). The purpose of the plan was to accomplish the following objectives:

1. To judge performance levels of managers.

2. To improve performance and/or maintain it at the highest possible level.

3. To encourage retention of effective managers.

4. To identify outstanding performance which would result in merit pay.

Rutton (1979, p. 28) believed that the reason why other merit pay programs had failed was because they had looked solely at merit pay and had ignored the importance of the evaluation process and the "necessity for an inservice program". The essential ingredients, as perceived by Rutton (1984), in producing a successful merit pay program for school administrators include the following components which reveal a heavy emphasis on the evaluation process and administrative inservice:

1. Objectives and means of achievement must be mutually agreed upon.

2. The evaluation process must be objective and fair.

3. The critieria by which an administrator is being evaluated must be clearly stated.

4. Administrators must have opportunity to select areas of need for inservice education that lets them grow professionally.

5. The inservice education program may enable them to have a better chance to receive merit pay in the furture.

6. Agreement on the objectives means a commitment on the part of the district to provide finance and support to the manager in carrying out their objectives.

The Rialto plan appears to include sufficient specificity in measuring performance criteria for determining merit pay. The plan recognizes that administrator performance is a shared responsibility between the administrator and the district. Providing the necessary resources to an administrator so that he or she can improve his or her performance is an essential ingredient of any staff development plan. This approach may increase the credibility of the plan of improving existing administrator skills, rather than solely creating an excuse to recognize the more "loyal" members on an administrative team.

The Beaverton Plan

Beaverton School District No.48 in Beaverton, Oregon, is the second largest district in the state with a student population of approximately 22,000. The "performance-based compensation system for managers" is scheduled for

implementation during the 1986-87 school year (Goodling, 1984).

The committee responsible for recommending a merit pay program for administrators selected program criteria from the ERS Monograph on Administrative Merit Pay (1983). The criteria selected is as follows:

1. A sound decision-making process that encouages broad-based input from the entire administrative staff.

2. A salary schedule that accurately places administrative positions in a justifiable relationship to each other and that reflects, in financial terms, the requirements and the responsibilities of each administrative position.

3. An assessment process that accurately defines the charactieristics and activities of excellent administrators and accurately discriminates between a superior and a below average administrator.

4. A process that financially rewards excellent administrative performance by translating administrative evaluation into salary increases.

5. A review process designed to improve the assessment, salary, and merit systems on a frequent basis.

The committee also stated that the merit pay system should "encourage administrators to perform better and provide recognition for superior performance. It should encourage a cooperative mode among all levels of administrative staff,

promote innovation, and result in a better education for students" (Goodling, 1984, p. 1).

For purposes of implementation, the committee stated that the following conditions should be present (Goodling, 1984, p. 1):

1. There should be staff involvement in developing the plan.

2. An atmosphere of confidence, respect, honesty and trust must exist among the persons involved in the plan.

3. Both the School Board and school administrative staff must be firmly committed to the plan and willing to spend sufficient supervisory time in measuring administrative performance.

4. The Performance-Based Compensation System need to be significant and available to all who qualify.

5. The rewards of the Performance-Based Compensation System need to be significant and available to all who qualify.

6. A commitment to maintain the system should remain in effect for several years to allow for an accurate assessment.

The committee indirectly expresses reservations throughout the report by suggesting incentives for improved performance other than the monetary incentive of merit pay. The committee also provides a list of the arguments for and a list of the arguments against a merit pay system for administrators (Goodling, 1984, p. 2). The list of

"potential positive effects" is as follows:

1. An increased monetary reward may result in increased efforts toward organizational goals.

2. Administrative accountability may be enhanced.

3. The curriculum and instructional program may be monitored more closely.

4. Initiative may be fostered.

5. Increased effort on the part of administrators may result in a better program for students.

The list of "potential negative effects" is as follows:

1. Consistency in administering the evaluation program is difficult to attain.

2. Administrative problems are increased, documentation becomes complex and changes in personnel affect commitment and level of understanding.

3. Morale may deteriorate and cooperative team work may be sacrificed.

4. Funding may be inadequate to support worthwhile incentives.

5. Resources may not be sufficient to support the increased cost for administering a comprehensize administrative evaluation program.

6. Implementation of a Performance-Based Compensation System for managers may become a political issue with other employee groups and the community.

With the other type of incentives available to the

district, coupled with the serious reservations expressed in the list of "potential negative effects", it is surprising that the committee does not suggest further research regarding the effects of a merit pay system before implementation. It is understandable, though, that with the pressure being applied to school boards to improve the educational environment by improving administrator performance, that the urgency of time is an issue. Certainly, the charge of the committee appears to be one of providing the best possible "performance-based compensation system" possible under the political time frame given.

The plan provided by Goodling (1984) is comprehensive in its recognition of necessary ingredients to a "successful" administrative merit pay play. Unfortunately, no matter how well any plan is conceived, there is always opportunity for those who administer the plan to effectively "sabotage" it by not efficiently implementing the plan. It is also possible that a change in membership on the school board may result in a different level of commitment to the concept, thus tempting those in the decision making process to eliminate the potential effect of the program by not providing adequate funding, given the current public resistance to increasing school funding for any reason. Certainly, the factor of "trust" will also determine the effectiveness and longivity of the program. If adminstrators or other players in the merit pay game do not perceive that the plan is being

administered fairly, then the potential positive motivational effects of a merit pay program may be lost (Kienappel, 1984).

Summary of Essential Ingredients

In summarizing the essential ingredients found in "successful" administrative merit pay systems, there appear to be more similarities than differences. Differences appear to be not in conceptualization, but in degree of specificity and emphasis given to certain components. Overall, the similarities and essential ingredients appear to be as follows:

1. The Board of Education must be committed to the concept of merit pay and must be willing to provide enough compensation for the system to have credibility.

2. The administrative team must mutually agree on the evaluation program to be followed and must "buy-in" to the concept of merit pay.

3. The assessment process must measure specific and observable behaviors which are justifiable matched to mutually agreed upon goals and objectives.

4. Goal attainment must be translatable into measureable terms for purposes of compensation.

5. The evaluation of the administrators should include data collected by himself, his staff and his supervisor.

6. The focus of the program should be one of professional growth rather than corrective discipline.

7. The system must be administered objectively and fairly.

8. A high level of trust must exist on the administrative team, and between the evaluator and the evaluatee.

If there is one key factor in determining the success of a merit pay program for administrators, it is "trust". If there is one key player in the merit pay game, it is the superintendent. The superintendent, in many ways, must act like a master chef who not only knows what the essential ingredients to the merit pay recipe are, but knows how to masterfully put them together so that the resulting system is palatable.

Admittedly, the essential ingredients as listed, come from the reports of administrators who feel that their particular merit pay programs have been successful. These reports provided no empirical measurements of administrative performance before and after the implementation of the merit pay program. It is, therefore, difficult to determine whether any change in performance did occur and if this change was to any degree effected by merit pay.

MERIT PAY: CAUTIONS AND RESERVATIONS

Most of the literature on merit pay refers to its application to teacher compensation programs. Although administrative merit pay has not received nearly the attention that teacher merit pay has, it would seem that the reservations that authors express to the application of a teacher merit pay program deserve careful consideration by districts interested in the implementation of an administrator merit pay program.

Serious reservations and cautions regarding the utilization of merit pay within school systems are expressed by educational authors throughout the literature. In fact, Barlow (1984) calls teacher merit pay a "tragedy", and (Nickerson, 1984) calls it a "great demoralizer" because it rewards only a few by rating in a public manner, one teacher against another. The "root of the success of merit pay systems in business" has been that compensation awarded is not public knowledge (Murray, 1978). "In contrast, in education, by law, salary decisions become public record; and thus, merit decisions are open to external as well as internal examination. Consequently, the publicity issue may conflict with the collegial, professional orientation held by teachers, and therefore, be a disincentive rather than an incentive for improvement" (Dennis, 1982).

The ASCD (Association for Supervision and Curriculum

Development) appointed task force on merit pay and career ladders also reached the conclusion that "merit pay has been shown to be ineffective and self-defeating; in fact, may be a 'disincentive' for improved performance (English, 1985)". In addition to this conclusion, the task force concluded that "merit pay by itself" (p. 34):

1. Will not solve problems now facing schools in their efforts to reach higher levels of excellence.

2. Does not have a good track record in the private sector.

3. Represents a simplistic and popular approach to the very complex problem of trying to recognize, motivate, and utilize talent in the schools.

Schneider (1984) also sees merit pay as a tempting and popular approach to improving performance: "School Board members must resist the urge to hop on the popular merit band wagon without thoroughly assessing the associated positive and negative attributes" (p. 105). She expresses serious doubt that "a model which has been the mainstream of evaluation in private-sector, profit-driven management systems can be appropriately adapted in public-sector, service-oriented educational systems" (p. 105). Schneider (1984) concludes by stating that "without an affirmative response from all participants, merit plans may very well cause more problems than they solve" due to the complexity of devising an evaluation system that properly translates

performance into monetary terms equitably (p. 105).

Scherer (1983) provides the additional caution for using merit pay as an evaluative tool in that "favoritism, subjective evaluation, arbitrary standards, including those based on student achievement or grade and subject taught...could increase competition among teachers, lower student and teacher morale, and, by inaccurately defining what it means to be a good teacher, effectively cut off true educational reform" (p. 22). She also predicts that using merit pay will by necessity create a "quota system", thus negatively effecting the morale of some by excluding them from receiving well deserved pay increases. She provides a list of other forms that merit pay takes with the major limitation of each (p. 22-25):

1. Bonuses based upon student performance. Limitation: no control over the quality of students or their potential.

2. Increments based on teacher performance. Limitation: difficult to document high and low ratings for teachers.

3. Individualized Productivity Plan. Limitation: requires objective and equitable committee acceptance and review of the individual's plan for growth.

4. Differentiated Staffing. Limitation: assigns higher salaries to positions considered to be "more important".

5. Career Ladder Approach. Limitation: will take new teachers eleven years (Tennessee Plan) before they become

master teachers.

All of these plans have the additional limitations of (1) requiring a great deal of documentation, and (2) causing parents and students to be reluctant to be in a class other than a meritorious or master teachers' class. Scherer states that no matter what form that merit pay takes, it has inherent limitations because of its dependency upon comparative evaluation. She concludes by stating that "it's a leap of faith to think that merit pay will solve our problems. We'll need merit pay plus alot of other things" (p. 159).

The parental pressure asserted due to some receiving merit pay and others not raises considerable concern from authors in addition to Scherer. McIntyre (1984) reinterates this concern by asking the question: "...what parent wants his or her child in a class taught by a nonmetorious teacher?" (p. 101). He continues his discussion by saying that he has seen "no evidence that says merit pay systems are impressively successful in other fields, even where they do exist" (p. 103). Finally, he states the the "problem at present lies in the measurement of merit" (p. 104). He suggests that we should work on "better ways of measuring teacher productivity before we jump onto this current merit bandwagon as if it would solve any of our problems for us" (p. 104).

The ASCD also cautions districts that are looking at

merit pay as a cure all. In its official association position statement the executive committee lists the following reasons as to why merit pay systems have experienced difficulty in the past (Tursman, 1983):

1. Insufficient pay for all competent teachers before merit recognition.

2. Insufficient merit bonuses to attract participation.

3. Merit performance based on unilateral and subjective judgements verses evaluation based on measurable criteria.

4. Merit that becomes permanent rather than merit that must be achieved and rewarded again and again.

5. Lack of financial support because taxpayersdid not know about or value the plan and its achievements.

6. A lack of focus on productivity.

The ASCD summarizes its statement on merit pay with the following advice: "Ultimately, a merit pay plan should be judged by its ability to assure effective education for all students" (p. 24).

The purported purpose for merit pay is that administrators perform differently and therefore should be rewarded accordingly in a monetary manner. The problem with this concept is that a district must accept the following empirically unproven assumptions before implementing a merit pay program for its administrators:

1. Money is a viable motivator.

2. Performance is translatable into measurable terms

for purposes of monetary compensation.

3. Evaluation is objective, fair and equitable.

If a district is willing to accept these assumptions and ignore the predominate evidence of merit pays failure historically (Johnson, 1984), then it has a difficult course to run at best.

Yet, even with the preponderance of evidence against merit pay in the literature (Cramer, 1983; Barlow, 1984; Scherer, 1983; English, 1985; Johnson, 1984; Schneider, 1984; McIntyre, 1984; Nickerson, 1984; Tursman, 1983; and Murray, 1978)) districts are still intrigued by the concept, either due to ignorance on their part as to the unsuccessful history of merit pay or on their insistence that they can do it better. Districts must ask themselves why they are looking to merit pay as a means of improving performance. According to Cramer (1983), "much of the pressure for merit pay for teachers has come from individuals or groups who resent incompetent teachers in the classroom" (p. 33). If the same purpose is at the heart of the reason why some districts consider merit pay for administrators, it is very suspect that these same districts's can simultaneously have the purpose of encouraging professional growth and improvement in performance while seeking to fire incompetent administrators. For what ever reasons merit pay is chosen, districts need to be aware of the potential negative effects of merit pay. In fact, a district may interfere with its purpose of enhancing

the effectiveness of its schools by implementing an administrative merit pay program that interferes with performance rather that improving it, and, ironically, at an increased financial cost to its citizens.

WORK ITSELF AS AN OPTION TO MERIT PAY

U.S. News and World Report (November, 1985) recently ranked teacher salaries as twelfth out of a list of fifteen beginning salaries in careers ranging from engineering to home economics. Is it possible that those entering the teaching profession are motivated by something other than money? If teachers and administrators are not primarily motivated by money, what are possible incentives that might encourage teachers and administrators to improve their performance?

Scherer (1983) in her analysis of the "great debate" surrounding merit pay for educators provides a list of probable motivators which were taken from a survey conducted by Karen Zumwalt, associate professor at Teachers College, Columbia University. When Zumwalt asked veteran teachers why they had positive feelings regarding their teaching jobs, she found that the teachers identified "respect, recognition, and reinforcement as those things that had improved their teaching" (p. 159). These factors would seem to be directly tied to the nature of the work that teachers or

administrators do.

The Association of Supervision and Curriculum Development (ASCD) task force on merit pay and career ladders also provides some insight as to how that factors other than pay may effect teacher motivation. The ASCD suggests that if conditions effecting the nature of teaching are changed that teachers and administrators would perform better. Current conditions as identified by the ASCD that require change are listed below (English, p. 34):

1. Too many schools are not intellectually stimulating environments for students or teachers.

2. Compared to other profession, schools lack systematic peer support systems.

3. Most traditional approaches to teacher evaluation are orientated towards inspection rather than growth.

4. Many teachers are not meaningfully involved in decisions that effect them directly, such as textbook selection and curriculum policy.

5. Staff development has largely been ineffective, not teacher-directed or controlled, and does not result in improved teacher performance or commitment.

6. There is too little time to 'teach' because of poor school administration, too many interruptions, too much paperwork, and so on.

7. Schools lack capacity for long-term change.

Each of these concerns listed deal with the nature of the

work that teachers or administrators are engaged in. Thus, it is conceivable that effecting change in the "work itself" may be the best motivator for improved teacher or administrator performance.

Changes in the "work itself" could be viewed as motivators which effect job satisfaction and therefore performance according to the theory of Herzberg. The "work itself" or "organizational theory" of personnel management has received considerable attention from educators due to the work of Herzberg (1968). Herzberg (1968) claims that individuals have both motivational needs and hygiene needs. Job satisfaction results when an individual's motivational needs are met. Job dissatisfaction is decreased when an individuals's hygiene needs are met. Thus, in order for merit pay or any other type of incentive to operate as a motivational factor, it must theoretically satisfy one or more of an individual's motivational needs to provide for increased job satisfaction and, therefore, improved performance. To solely satisfy a hygiene need may result in a more contented worker, but it does not necessarily translate into improved performance.

Herzberg (1968) identifies the following factors as affecting job satisfaction: (1) achievement; (2) recognition; (3) work itself; (4) responsibility; (5) advancement; and (6) growth (p. 57). Factors which effect job dissatisfaction as identified by Herzberg (1968) are (1) company policy and

administration; (2) supervision; (3) relationship with supervisor; (4) work conditions; (5) salary; and (6) security (p. 57). Friesen (1983) finds considerable agreement to Herzberg by identifing the following aspects of an school administrator's job which theoretically provide job satisfaction when present: (1) finding meaningfulness in the work itself; (2) perceiving occupational status and prestige; (3) positive interaction with teachers; (5) positive interaction with students; (6) adequate salary and benefits; and (7) pleasant working conditions. This list by Friesen (1983) finds agreement with Herzberg on factors of job meaningfulness, prestige and status; but perceives working conditions, human relations and salary plus benefits to be more than simply hygiene factors which effect job dissatisfaction as defined by Herzberg (1968). Smith (1976) when surveying secondary school administrators found that they were highly motivated by achievement, recognition, and advancement, but not nearly as much by salary, good interpersonal relations, effective policy and administration, and supervision, although "the absence of the latter group is highly dissatisfying" (Smith, 1976).

At first glance, Herzberg's dual theory appears to have application to educational research. Researchers, though, who have attempted to apply his theory to other settings than the specific one utilized by Herzberg, find serious limitations to the applicatability of Herzberg's theories

except in those situations in which the setting is nearly identical and the research is approached under the same restrictive conditions. Where the disagreement seems to appear, is not whether or not the factors as identified by Herzberg effect job dissatisfaction and dissatisfaction, but that these factors are not mutually exclusive and may overlap and thus provide both increased job satisfaction and decreased job dissatisfaction simultaneously. Young (1983) found that even though the motivational factors as listed by Herzberg do tend to provide geater satisfaction when compared to hygiene factors, and that the hygiene factors do tend to lessen dissatisfaction to a greater degree than motivational factors, these factors are interdependent. This conclusion is also reached by Medved (1982) who states that the "same factors which contribute to satisfaction if present, contribute to dissatisfaction if absent" (p. 556). Thus, serious doubt has been cast as to the validity of Herzberg's dual continuum when applied to research in education. In fact, Young (1983) recommends that "education researchers interested in job satisfaction should devote their efforts to theories other than Herzberg's" (p. 65).

Another major limitation to the job satisfaction school of thought is the assumption that increased job satisfaction results in improved performance. "Despite the failure to show a consistent empirical relationship between satisfaction and performance, all of these approaches assume, implicitly

or explicitly, that satisfied employees will produce more. This assumption ties the study of satisfaction to the issue of motivation" (Bacharach, 1983, p. 102). Bacharach (1983) continues by stating that "the approach presented assumes that performance precedes satisfaction and that the sources of satisfaction are those factors that enhance task completion" (p. 106). Bacharach (1983) prefers to assume that "performance precedes satisfaction", thus viewing organizational factors that predict dissatisfaction as "constraints on effective job performance (p. 106)".

Admittedly, then, the "work itself" or job satisfaction concept has its critics, too. Whereas merit pay makes the assumption that money is a good motivator for individuals who have knowingly chosen a service oriented career which traditionally does not pay its professionals well, the "work itself" or job satisfaction group makes the assumption that by effecting job meaningfulness or satisfaction that job performance will be effected as well.

INCENTIVES OTHER THAN MERIT PAY

A beginning list of incentives which appear to affect the nature of the "work itself" by increasing job satisfaction is provided by Goodling (1985) in his performance based compensation system prepared for one school district. In addition to the compensation portion of the

evaluation system, several forms of incentives or motivators are suggested:

1. Special assignment for an administrator for a specific period of time.

2. Demonstrating support through praise and recognition of noteworthy performance.

3. Provide new or special challenges through unique activities.

4. Give special recognition of ability by placing an administrator on district committee assignments that provide district-wide exposure.

5. Sponsor selected administrators to special workshops or seminars.

6. Provide release time for an administrator to do a special project of his or her choosing.

7. Provide release time for renewal and intellectual development on a university campus.

8. Sponsor administrators to attend national conferences.

9. Bring in outside "experts" on a residency basis to inservice and train administrative staff.

10. Provide incentive grants for selected projects or programs of special interest to the sponsoring administrator.

As can be seen by this list of activities, the monetary incentive of merit pay is not the only way in which a district may find itself trying to encourage excellence by

allocation of additional funds. Any activity or reward that takes an administrator away from his or her regular assignment for a period of time has a certain cost attached. Motivators such as recognition of "noteworthy" performance appear to be the only activities suggested in this list by Goodling (1985) that do not have a direct or indirect additional cost for a school district. The next chapter will provide a methodology for comparing altered compensation rates, or merit pay, to other types of incentives available for district consideration.

CHAPTER III

METHODOLOGY

The purported purpose of incentives is to motivate individuals towards improved performance. If a district chooses incentives that will have a neutral or negative effect on administrator motivation, then it is utilizing its resources unwisely. This is why it is essential that a district which chooses to implement some type of incentive program receive input from those that the program is meant to motivate.

This study sought input from public school principals as to how they would rank a list of incentives in terms of the potential motivational effects of these incentives on their performance. This information could be useful for those districts considering the probable degree of success of a merit pay program in comparison to other types of incentive programs available.

SAMPLE

Three hundred and twelve or approximately 33% of the public school principals listed in the 1985 edition of the Confederation of Oregon School Aministrators Directory were

randomly selected to respond to a questionnaire on incentives. A sample of this size was desirable so that all categories of principals would be represented. Categories for classification were determined from factors such as: (1) current position; (2) years of experience in education; (3) age; (4) sex; (5) level of college training; (6) different administrative positions previously held; (7) future career aspirations; (8) current salary level; and (9) current building or district size.

DATA COLLECTION

A questionnaire was made and sent to all subjects selected in the random sample. The questions asked descriptive information as listed above. In addition, respondents were asked to rank a list of incentives provided. Incentives that appear to affect "job satisfaction" or "work itself" were paired against the monetary incentive of merit pay. Different levels of merit pay or altered compensation rates were offered in comparison to the other incentives provided. Various percentages of merit pay were used because of the ERS Monograph on Administrative Merit Pay (1983) recommendation that altered compensation rates range from 5% to 20%, and to answer the question as to how much a district may need to commit itself financially in order to make merit pay a viable option to other types of incentives available.

QUESTIONNAIRE

The questionnaire was introduced to the sample members with a cover letter that sought to explain the purpose of the study as simply as possible. The issue of "merit pay" was dealt with openly, even though it was believed that merit pay is an emotionally-laden term that may affect individuals' response. It was felt that any effort to "mask" the concept would only arouse suspicion or create confusion on the part of the respondents as to the real purpose of the study. It was also decided that if this study was to have any value to districts considering merit pay as a viable incentive for administrators, that to ignore the emotional aura of merit pay could mislead decision makers as to the potential effects of merit pay in comparison to other type incentives on administrator performance.

The questionnaire (Appendix B) was divided into two distinct parts. The next section of the discussion speaks to each of these sections separately, and lists the different questions for each section and explain why these particular questions were selected.

Part I of Questionnaire

This portion of the questionnaire sought demographic information from respondents. Sixteen questions were asked

to see if degree and type of response from sample members in Part II could be attributed to individual differences indicated in Part I:

Age. The four categories of age used were: (1) less than 35; (2) 35-45; (3) 46-55; and (4) 56 or more. It was felt that the age of the individual might affect their desire for increased compensation, which merit pay could potentially provide. For example, it is possible that an individual in the "56 or more" group might find merit pay particularly attractive because of the effect of the last three years salary on retirement benefits. PERS calculates an individuals's retirement benefit payment on the average of the last three years salary or on an average of the hightest three years income while the individual has been a member of PERS. It is also possible, that an individual in the "56 or more" category might find his or herself financially set and not needing the additional "taxable" income. Conversely, an individual in the "less than 35" age bracket might find an additional 5-20% income especially attractive to finance an initial house, graduate school tuition or maternity ward bills. The "35-45" category of respondents may be comparing their salaries to individuals in other careers and may be seeking a career change if additional compensation is not available to them. The "46-55" age bracket may include individuals that are considering "college accounts" for their children, or investments for future retirement, thus

affecting the attractiveness of merit pay to them. Certainly, all or none of these factors may be of consideration for respondents irrespective of age bracket.

Sex. This category coupled with "household income" will give some clue as to whether an individual is the primary or sole source of income for the respondent. Individuals who are the primary or sole source of income may find a 5-20% bonus especially attractive. Other incentives offered such as "recognition and status" may also be affected by this category, thus making merit pay either more or less attractive in comparison.

Building principal experience. This category gives clues as to how well acquainted an individual is with the factors that affect a principal's performance. A major argument against merit pay has been that the individual is not in control of all those factors that affect how a building functions and how well teachers and students perform. Thus, individuals may shy away from a system that seeks to compensate them according to factors that vary from building to building irrespective of who the principal is. Conversely, some principals may think that they have a better chance of receiving merit pay because of their experience level in comparison to less experienced principals. They may feel that they can play the game better. Or they may be seeking compensation levels closer to what their promoted peers are receiving.

Prior administrative experience. The major purpose of this category was to see to what degree an individual has been exposed to the "politics" of the district office. Since the superintendent or his assistants will be evaluating principals for purposes of bonus money under a merit pay system, an individual's confidence in the probable fairness of such evaluation is considered a potential factor effecting the desirableness of merit pay.

Total administrative experience. The purpose of this category was to provide a further measure as to the amount of experience that an individual has had. It is hypothesized that the level and amount of experience affect an individual's belief in the system and his or her need for the different types of incentives offered. For example, an individual who has been an administrator for more than 25 years may not be as desirous or in need of "professional growth opportunities" as an individual who has less than 5 years of experience. It is also possible that a greater amount of experience results in a greater confidence in one's ability to manage a building, thus making "increased job autonomy" more desirous.

Education. The level of education would potentially effect an individual's need for "professional growth opportunities". It may also indicate the potential mobility of an individual who is desiring "career advancement". Thus, opportunities for advancement provided through "increased

district-wide responsibilities" may be a strong incentive for those with greater educational preparation.

Longevity in current district. The major purpose of this question was to measure the "frustrational level" of those seeking "career advancement" with their district. This information coupled with "career goals over the next 5 years" may give some clue as to those who would desire "career advancement within district" over merit pay or other type incentives.

Current building level. This category may provide information regarding those who would be more inclined to view "additional district-wide responsibilities" as an incentive or additional "headache". Recognizing the greater responsibility usually associated with secondary levels, "additional responsibility" may not only be undesirable but unrealistic when compared to elementary levels.

Current building size. Again, this category together with "building level" gives clues as to amount of responsibility and therefore desirableness of certain incentives such as "increased responsibility". "Increased recognition and status" may also be a factor affected by both building level and size. It is possible that secondary principals when compared to elementary may find sufficient "status" but little "recognition". The opposite condition may be true for elementary principals, but to a different degree.

Current district size. The size of a district directly affects the number of district office jobs available for those seeking "career advancement within district". Principals in small districts may not see their districts large enough to provide opportunities for advancement.

Current salary. An individual earning a low salary when compared to colleagues, may find a money bonus attractive when compared to "career advancement with district". Ironically, though, the individual making the higher salary may find merit pay particularly attractive since a 5-20% bonus would be significantly more dollars when compared a similar percentage bonus based on the lower salary.

Present location by state region. The acceptance of the merit pay concept may be affected by regional viewpoints as to how individuals should be compensated. Certain regions tend to compensate their principals more favorably than others. Individuals choosing to live in regions less likely to provide higher levels of compensation, may have chosen to locate in such areas for reasons other than monetary compensation, thus making merit pay less attractive. Factors such as "increased job autonomy" may also be more attractive than "professional growth opportunities" since such "opportunities" are not readily available in some regions even if the tuition is.

Career goals over the next 5 years. This question provided information as to the potential motivational effect

of "career advancement" to other types of incentives. If an individual is in a sufficiently large district where career advancement is feasible, and that same individual desires a "central office position", it is conceivable that "career advancement within district" would be a strong motivator in comparison to merit pay.

Educational goals. Individuals seeking further training may find the incentive of tuition reimbersement provided through "professional growth opportunities" as a powerful motivator. Willingness to complete additional graduate level coursework may indicate how seriously an individual is pursuing a "career advancement".

Part II of Questionnaire

The purpose of Part II was to have respondents indicate preference to incentives provided when compared to different levels of merit pay. In other words, will respondents change their preference for incentives as the amount of merit pay increases from 5% to 20%?

Definitions for the six different incentives were provided to respondents prior to their completion of the questions on preferences so that all subjects would be using the same basis for answering the questions. Listing of definitions and incentives was given in alphabetical order so as to avoid any possible perception from the subjects that a preference was indicated.

Five of the six incentives were of the type that theoretically effect the "work itself". These five incentives were: (1) increased job autonomy; (2) increased recognition and status; (3) professional growth opportunities; (4) career advancement within district; and (5) increased district-wide responsibilities. Definitions to these terms are provided in Appendix B.

The sixth incentive was merit pay. The definition of merit pay only provided the situation where performance could result in increased compensation. The opposite is also possible in a merit pay program. This alternate possibility was not included because it was perceived that such an option would be a disincentive. It was felt that since the other incentives were not being treated in terms of something that could be taken away rather than given, that to treat merit pay differently would confuse respondents.

Question 15 asked subjects to indicate which of the six incentives, if any, they had experienced as a principal. It was hypothesized that exposure to any of these incentives might affect respondents desire to have them again. For example, if a subject had received an in-district promotion, such an incentive may operate as a motivator for that respondent in the future. Conversely, if a subject had been in a district where merit pay had been used as an incentive where the respondent did not benefit positively, such an incentive may not be desirable in comparison to others

available. Respondents were also given the opportunity to check another incentive not listed in the question by filling in the blank next to "other".

Questions 16-19 presented the same listing of incentives in relationship to merit pay. The initial question offered a 5% bonus. Each subsequent question increased the offering by 5% until a 20% rate in the final question was suggested. It was found that by having subjects respond to the same incentives in four separate questions, that they would be actually creating a "prioritized" list of the incentives listed by adding the total number of times each particular incentive was checked with differing amounts of merit pay.

In order to provide subjects opportunity for written comments about any aspect of the questionaire or the issues involved, question 20 asked for comments. It was found that in the field testing of the questionaire that respondents were providing written comments anyway, which provided clarity as to why each subject answered in the way that they did.

FIELD TEST

A dozen principals were asked to complete a trial version of the survey. A variety of individuals were chosen to give representation from both males and females, secondary and elementary levels, different building sizes and district

sizes. Respondents generally found no difficulty in completing the questionnaire, and when asked after completion what they thought the purpose of the survey was, they indicated with only one exception, an understanding consistent with the experimenter's intent. It was difficult to surmise as to whether the one respondent who found difficulty in completing the survey was unclear as to the intent, or reluctant to reveal information openly. Suggestions given included making the cover letter appeal "more personal", providing space for comments, highlighting definitions better, and keeping the questionnaire short.

DESIGN OF STUDY

This study sought to provide descriptive information regarding how principals are motivated to perform. Data collected was non-parametric and categorical in nature and was best displayed by ranking responses according to category. It is doubtful that any district could or would want to provide various incentives only to a randomly selected portion of its administrative staff in order to allow for an experimental and control group to exist simultaneously, which would allow for the active variable requirement of experimental design. Use of statistical and research hypotheses were therefore inappropriate.

The nature of the data did allow for the use of the

Chi-square statistic when comparing different categories of principals as determined by demographic information. Levels of significance, though, were not preset so as to avoid the implication that a certain level of significance precluded recognizing possible trends in relationships.

QUESTIONS OF INTEREST

The first two questions below were the major questions of concern, with the third question looking for possible differences in preference between groups of principals.

Question of Preference for Incentives

The first question of interest for this study was to see if principals would prefer any of the incentives over the others. In other words, given a list of incentives, how would principals rank them according to the potential motivational effect of each? Or, would there be any preference indicated at all? This question was derived from the debate between the "physical-economic" school of thought which claims that "monetary compensation" is of primary importance, to the "work itself" school of thought which claims that individuals are motivated most by factors which effect the meaningfulness of the work they do.

Question of Preference Change as the Amount of Merit Pay Increases

The second question of interest was to see if preference of incentives was effected by the amount of merit pay offered. Are "work itself" factors so important for the individual that the amount of compensation possible is not a factor? Or, as the amount of merit pay increases, does merit pay become more relevant in that it begins to effect job satisfaction? This question was in response to the argument put forth by Herzberg (1968) that individuals are motivated solely by "job satisfaction" or "work itself" factors and not by the hygiene factor of increased compensation through merit pay.

Question of Preference Based upon Characteristics

Respondents differed in a variety of ways as was indicated by their response to the demographic questions. Chi-square tests were run to see if there was any relationship between a particular grouping of principals and preference indicated. This question was raised to see if certain types of incentives might be more readily received by a group of principals with particular characteristics.

CHAPTER IV

RESULTS

The next section of this paper will provide descriptive information collected from the survey administered. Information regarding how principals responded to the questionnaire is provided in both frequency and ranking format.

BUILDING PRINCIPAL SURVEY

A questionnaire was sent out to 312 or approximately 33% of Oregon elementary and secondary principals as listed by the Confederation of Oregon School Administrators Directory. Over 78% or 244 of the 312 questionnaires were returned. Most of the questionnaires were completed in their entirety, although 16 or approximately 8% of the surveys had some questions unanswered, which limited the usefullness of each.

General Comments Section

In the "general comments" section (question #20) of the survey, several written comments were made regarding the nature of the survey and its quality. One respondent said that the survey was "too restrictive" and did not allow enough flexibility in choice of options. Two other

respondents indicated displeasure with the survey in that it insinuated that offered enough money they would "compromise" their preference of other type incentives to merit pay. Of the 244 respondents, though, only 5 indicated displeasure or frustration with the survey itself, either in format or approach. One respondent indicated that the survey was "a good survey" with the remaining subjects not indicating whether they thought that the questionnaire was "meritorious" or not. Of the over 100 general comments made, only seven writers made reference, positive of negative, to the quality of the survey.

Other written comments were offered throughout the survey, mainly in an effort to clarify a subject's response. When a respondent did not feel that a category included the particular choice that pertained to him or her, he or she would offer a written comment, which facilitated the appropriate categorization of the response. For example, several respondents filled the "other" category under "previous administrative experience" and wrote what the "other" experience had been. In most cases, the "other" type of administrative experience was "district office" in nature, thus making a classification adjustment possible for purposes of grouping. Similarly, in question #13, subjects were asked to indicate future career goals with several options given including "leave administration" and "other". Most respondents, 24 out of 30 (Or 80%), who filled in the "other"

category indicated that they were planning to "retire". Since retirement would result in "leaving administration", these responses were categorized together with the "leave administration" category for purposes of grouping. Several respondents wanted to make sure that this experimenter gave them "full or partial credit" for the educational experience category provided in question # 6. Several subjects indicated that they had a "Masters plus 90" which was not an option provided. Also, several respondents indicated that they had a "doctorate in progress". In addition, two respondents indicated that they had a B.A. which was not a catagory offered. Responses were thus classified according to the closest category offered. Thus, those with a B.A. were counted in the M.A. category, individuals (including those working on a doctorate) who had more than a Masters plus 60, were included in the "M.A. +60" category.

Return Rate

Rate of return was irregular. The questionnaire was sent out on Saturday, March 28. Initial returns of 15 surveys were received on Tuesday, April 1. On Wednesday, April 2, 95 surveys arrived. Returns then leveled off rapidly until just six surveys were received during the third week.

Cover Letter

In the cover letter, principals were invited to request a copy of the results. Two individuals did request that results be sent to them. A third principal suggested that he be contacted for further information regarding his experiences with merit pay. A fourth principal provided two newspaper clippings which represented his view regarding the viability of merit pay as an incentive for administrators.

Demographics

The following section provides frequency data for each separate survey question which dealt with the demographics of the sample i.e. questions 1-14. Subjects were instructed to "please check the appropriate box or boxes for each question".

Question 1: Age of Respondents. Principals were given four categories to choose from for age classification: (1) under 35; (2) 35-45; (3) 46-55; and (4) 56 and over. Of the 244 respondents, only seven which is 2.9% of the total sample were under the age of 35. One hundred and thirteen or 46.3% of the principals were in age bracket (2), which was the mode for the four categories. Ninety-eight or 40.2% were between 46 and 55 years of age. Twenty-six or 10.7% were in age bracket (4). The largest group, then, was age bracket (2). The majority of respondents, 86.5%, fit in brackets (2) and (3) for a combined age range of 35 to 55 years of age.

Brackets (1) and (4), then, represented a minority or only 13.5% of the sample. With a category mean between (2) and (3), or 2.586, the average age of respondents would be approximately 45 years of age. The category median was 2.520, which was approximately half way between category (2) and (3), indicates that the age in the middle of the group was close to that of the mean or approximately 45 years of age.

Question 2: Sex of Respondents. Subjects were asked to indicate (1) male or (2) female. All individuals sampled responded to this question except for one. One hundred and ninety or 77.9% of the sample were male. Females composed 21.7% or fifty-three members of the sample. The one individual who did not respond to this category accounts for the remaining .4% of the sample. Males, then, composed the majority of principals responding. They accounted for over 3/4ths of the total sample.

Question 3: Building Principal Experience. Categories for this question were: (1) less than 5 years; (2) 5-15 years; (3) 16-25 years; and (4) more than 25 years. Sixty-nine or 28.3% of respondents indicated less that five years of building principal experience. One hundred and fifteen or 47.1% of the sample indicated that they had between five and fifteen years of experience. Thus, almost half or 47.1% of the sample has had between five and fifteen years experience as a principal. Fourty-eight or 19.7% of

principals checked category (3), and only eleven or 4.5% of principals checked category (4). The mean, median and mode for categories selected were 2.004, 1.957, and 2.000 respectively. The average years of experience of respondents, then, was in the 5-15 years of age range. The "5-15 years" category was also the most often chosen bracket and the category representing the middle of the range of choices. By combining categories (1) and (2), a new category was formed which covers all individuals with fifteen years or less of building experience, for 75.4% of the sample. By adding bracket (3), it becomes apparent that 95.1% or 232 of the principals have had 25 years or less of building principal experience. Thus, only 4.5% or eleven respondents have had more than 25 years of experience. Only one individual or .4% of the sample did not resond to this question.

Question 4: Prior Administrative Positions. Individuals were asked to respond to the following categories: (1) none; (2) assistant principal; (3) district office; and (4) other_____. Due to the fact that some respondents checked more than one category or indicated postions in the "other" category that could by categorized as "district office", the following two categories were created from the information received: (5) assistant principal and district office; and (6) assistant principal and other. For example, one respondent indicated college level administration and

assistant principal positions, which would fit into category (6). Other respondents indicated some type of central office administration in addition to their assistant principal experience, thus fitting the new category of (5). All respondents were able to fit one of the categories given the addition of (5) and (6). Seventy-eight or 32% of respondents indicated no previous administrative experience. Ninety-six or 39.3% of the sample have had assistant principal (or vice-principal) experience, which was the most common occuring categorical response (mode at 2.000). Twenty-two or 9% of the respondents indicated district office experience prior to becoming a principal. Twenty-nine or 11.9% of principals indicated other types of administrative experience ranging from athletic director to head teacher. Ten or 4.1% of subjects indicated both assistant principal and district office experience. Seven or 2.9% of the sample indicated assistant principal plus other type administrative experience. Only two individuals did not respond to this question. Thus, 67.2% or one hundred and sixty-four principals indicated some type or combination of administrative experience prior to becoming a building principal. Still, though, a large minority of 32% or seventy-eight individuals, (which is approximately 1/3rd of respondents), indicated no previous administrative experience.

Question 5: Total Administrative Experience. Principals

responded to one of the following four choices: (1) less than 5 years; (2) 5-15 years; (3) 16-25 years; or (4) more than 25 years. Thirty-five or 14.3% of the sample indicated less than five years of administrative experience. One hundred and twenty-eight or 52.5% of respondents indicated between five and fifteen years of experience. The average of respondents then fits into category (2), (and more likely towards the middle of this range as indicated by a category mean of 2.250). Category (2) represented the majority of the sample, and thus the most often chosen response (mode = 2.000). Sixty-six or 27% of subjects sampled indicated sixteen to twenty-five years of total administrative experience. Only fifteen or 6.1% of respondents indicated experience exceeding twenty-five years. By combining categories (2) and (3), a pool of one hundred and ninety-four or 79.5% of respondents is created, thus representing over 3/4ths of the sample population. This indicates that most principals within the sample have had between five and twenty-five years of experience.

Question 6: Education of Respondents. Categories given were: (1) Masters; (2) Masters +30; (3) Masters +60; and (4) Doctorate. Twenty or 8.2% of subjects responding indicated a Masters degree. Eighty-three or 34% of the principals indicated a Masters plus thirty additional graduate credit hours. One hundred and twenty-five or 51.2% of the respondents indicated a Masters plus sixty additional

graduate hours. Category (3) represents a majority of the sample, which is also the mode of response (mode = 3.000). Fifteen or 6.1% of the subjects chose category (4) which indicted that they had a Doctorate. Only one individual (0.4%) did not respond to this category.

Question 7: Longevity in Current Position. Subjects checked one of the following: (1) less than 5 years; (2) 5-15 years; (3) 16-25 years; or (4) more than 25 years. One hundred and fourteen (46.7%) of the respondents indicated that they had been in their current position for less than five years. Category (1), then was the most often chosen bracket (mode = 1.000). Ninety-six (39.3%) of the principals sampled chose category (2) which indicated longevity in current position of five to fifteen years. Twenty-nine (11.9%) of the subjects indicated that they had been in their cuurent position for sixteen to twenty-five years, and only five individuals (2%) said that they had been in their present job for more than twenty-five years. By combining categories (1) and (2) it can be seen that 86% or 210 principals had been in their current position for fifteen years or less.

Question 8: Current Building Level. Choices provided to respondents were: (1) elementary; (2) middle/intermediate; (3) junior high; and (4) high school. Rather than creating new categories for respondents that chose more than one building level, the highest level checked was used as the

bracket of choice. Only five individuals indicated multiple categories. One hundred and fifty-six or 63.9% of respondents indicated that they were elementary principals. Thirty (12.3%) of principals chose the middle-intermediate bracket, and fourteen (5.7%) of principals chose the junior high category. Fouty-four or 18% of the individuals indicated that they were high school principals.

Question 9: Current Building Size. The following four classifications were provided: (1) less than 200; (2) 200-499; (3) 500-999; and (4) 1,000 or more. Thirty-five or 14.3% of principals checked category (1). One hundred and fifty-one (61.9%) indicated that they had buildings with student populations ranging from two to nearly five hundred. This category was by far the majority response and was therefore the mode of response (2.000). Thirty-eight or 15.6% of the respondents indicated building sizes of five hundred to almost one thousand. Nineteen or 7.8% of the sample indicated building sizes of one thousand students or more. Only one individual (0.4%) did not resond to this question. By combining categories (1) and (2) it can be shown that over 3/4ths (76.2%) of the principals have building sizes of less than five hundred students.

Question 10: Current District Size. Categories given were as follows: (1) less than 1,000; (2) 1,000-4,999; (3) 5,000-14,999; and (4) 15,000 or more. Fourty-five or 18.4% of the sample indicated district sizes of less than one

thousand students. Ninety-one or 37.3% of principals said that their districts had populations ranging between one thousand and almost five thousand students. Sixty-eight or 27.9% of respondents indicated districts ranging between five thousand and almost fifteen thousand students. Thirty-nine or 16% said that they were principals in districts which had fifteen thousand or more students. Category (2), then, was the bracket most often chosen (mode = 2.000). By combining the first three categories, it can be seen that almost 84% of principals are in districts of less than fifteen thousand students. Again, only one individual (0.4%) did not respond to this category.

Question 11: Current Salary. Individuals responded to the following categories: (1) less than $30,000; (2) $30,000-$39,999; (3) $40,000-$49,999; and (4) $50,000 or more. Ten (4.1%) of the sample indicated a salary of less than $30,000. One hunded and thirty-eight or 56.6% of the principals indicated salaries ranging from $30,000 to $39,999. Ninety-one or 37.3% of the respondents said that their salaries fit into the $40,000 to $49,999 range. Only two individuals (0.8%) indicated salaries of $50,000 or more. Clearly, the majority response and therefore the mode of response was category (2) with individuals making between $30,000 and $39,999. Nearly 2/3rds of the sample make less than $40,000 and slightly over 1/3rd make $40,000 or more. Three individuals (1.2%) chose not to respond to this

question.

Question 12: Present Location by State Region. Principals chose one of the following four regions: (1) western; (2) eastern; (3) southern; or (4) central. One hundred and seventy-one or 70.1% of the sample indicated that they lived in the (1) western region. Twenty-three (9.4%) of the individuals said that they lived in the (2) eastern region. Twenty-seven or 11.1% of the principals indicated that they lived in the (3) southern region, and twenty-one or 8.6% of the sample indicated that they lived in the (4) central region. By far, the majority of respondents (70.1%) indicated that they lived in Western Oregon, which is therefore the mode of response (mode = 1.000). The remaining 29.9% were almost equally divided between the other three regions listed. Two individuals (0.8%) did not respond to this question.

Question 13: Career Goals Over Next Five Years. Choices provided were: (1) maintain principalship; (2) central office position; (3) leave administration; or (4) other_____. One hundred and fifty-four (63.1%) of the principals indicated that they wanted to maintain their principalship. Fourty-one or 16.8% said that they were interested in a central office position, and eleven (4.5%) said that they were considering leaving administration. Of the thirty-eight (15.5%) of principals who checked the "other" category, twenty indicated that they were going to retire. It is

conceivable that some of those who checked the "leave administration" category also were considering retirement, but did not so indicate in a written manner. Category (1), then, which was checked by over 63% of the population was the mode of response (mode = 1.000).

Question 14: Educational Goals. Principals responded by checking one or more of the four choices given i.e. (1) Standard Certificate; (2) Doctorate; (3) none of the above; (4) other_____. Sixty-one (25%) of the principals said that their immediate educational goal was to complete their Standard Certificate. Thirty-four or 13.9% of the sample said that they wanted to complete the Superintendent Certificate. Thirty-eight or 15.6% of the principals indicated that a Doctorate was a goal. Eighty-three or 34% of the respondents checked the "other" category which was the most often checked bracket (mode = 4.000). Since several respondents checked more than one category, five new categories were derived from the responses: (5) Standard Certificate and Superintendent Certificate; (6) Standard and Doctorate; (7) Standard and other; (8) Superintendent and Doctorate; and (9) Superintendent and other. Eleven each responded to (5) and (6), two responded to (8), and one responded to (9).

Incentives

Principals were asked a series of questions regarding

their previous experience with a variety of incentives and which of these incentives they would prefer to different rates of merit pay. The following section gives the frequency data for each of these questions.

Question 15: Previous Experience with Different Type Incentives. Subjects were asked to check which of the following incentives they had experienced as an administrator: (1) job autonomy; (2) merit pay; (3) increased recognition and status; (4) professional growth opportunities; (5) career advancement within district; (6) increased district-wide responsibilities; (7) none of the above; and (8) other. Each of these choices are discussed separately below.

In the category of job autonomy, one hundred and sixteen individuals or 47.5% of the total sample indicated they had received this incentive and one hundred and twenty-three individuals or 50.4% of the sample said that they had not experienced this incentive. Clearly, a large proportion of the sample responded positively, but still a majority indicated no exposure to this incentive. Five subjects (2%) did not respond to this question.

Exposure to merit pay was indicated by thirty-six or only 14.8% of the total sample. Two hundred and three principals (83.2%) indicated no experience with administrative merit pay, which was the overwhelming majority of the total group. Five principals (2%) did not respond to

this question.

Increased recognition and status was an incentive that sixty-five of the principals (26.6%) indicated that they had experienced. One hundred and seventy-four or 71.3%, though, said that they had not experienced this incentive. Thus, over 2/3rds of the sample indicated that they had not received increased recognition and status as an incentive. Once again, five of the principals (2%) did not respond to this question.

Almost 2/3rds, or one hundred and sixty (65.6%) of the principals said that they had experienced professional growth as an incentive. Seventy-nine respondents (32.4%), though, indicated that they had not received this incentive. Individuals not responding to this question totaled five (2%).

In the category of career advancement, ninety-seven or 39.8% of the principals said that they had experienced this incentive. One hundred and fourty-two or 58.2% of the principals, though, indicated that they had not experienced this incentive as an administrator. Once again, five principals did not answer this question.

Over 50% (one hundred and twenty) of those who responded to this question, indicated that they had been given increased district-wide responsibilities as an incentive. Similarly, nearly 50% or one hundred and nineteen, indicated that they had not experienced this incentive. Response to

this question was almost split 50/50.

In the "none" category, only twenty-six or 10.7% of the principals said that they had not experienced any of the incentives listed. Thus, two hundred and thirteen or 87.3% had experienced one or more of the incentives listed, with only five members or 2% of the sample not responding.

Six of the two hundred and thirty-nine valid cases indicated that they had received other types of incentives to those listed. An overwhelming 97.5% of the principals sampled indicated that they had not received any types of incentives other than those listed.

As can be seen from this list of incentives in Table I below, only "professional growth" and "increased responsibility" had a majority of those responding indicate that this was an incentive that they had experienced. Yet, all incentives together (excluding the category of "other") were responded to five hundred and ninety-four times, which indicates that many respondents had experienced two or more of the incentives. In fact, several principals checked all the incentives listed.

TABLE I

PREVIOUS EXPOSURE TO INCENTIVES

RANK	INCENTIVE	PERCENT	FREQUENCY
1.	Professional Growth	66.9	160
2.	Increased Responsibility	50.2	120
3.	Job Autonomy	48.5	116
4.	Career Advancement	40.6	97
5.	Recognition and Status	27.2	65
6.	Merit Pay	15.1	36
7.	Other	2.5	6

Question 16: Merit Pay at 5%. Principals were asked to check any of the incentives listed that they would prefer to a 5% merit pay award. Two hundred and thirty-seven principals responded to this question, and seven did not. Results of those who responded to the question are summarized below in Table II according to rank.

None of the incentives listed individually below were chosen by a majority of the respondents, yet, when the incentives are listed in rank order, it is apparent that respondents chose three incentives over merit pay at 5%. "Professional growth", "job autonomy", and "recognition and status" were all prefered to "merit pay". Merit pay at 5% was prefered by only 28.3% of the principals to one or more of the other incentives listed.

TABLE II

RANKING OF MERIT PAY AT 5%

RANK	INCENTIVE	PERCENT	FREQUENCY
1.	Professional Growth	48.5	115
2.	Job Autonomy	33.3	79
3.	Recognition and Status	32.1	76
4.	Merit Pay	28.3	67
5.	Career Advancement	27.4	65
6.	Increased Responsibilities	10.1	24

Question 17: Merit Pay at 10%. Principals were asked to check any of the listed incentives that they would prefer to a 10% merit pay award. Two hundred and thirty-nine principals responded to this question, and five did not respond. Summary findings of those who responded to this question are listed by rank order in Table III.

Merit pay became the incentive most often chosen incentive when offered at 10% in comparison to the other incentives listed. The other five incentives maintained their relative ranking to each other when compared to question 16 except for a switch in positions of "career advancement" and "recognition and status". All incentives except for "merit pay" experienced a decrease in frequency chosen when compared to question 16. Merit pay at 10% was chosen by almost twice the number of principals. Percent for "merit pay" increased from 28.3% in question 16 to 46.9% in

question 17. These percents translate into sixty-seven principals choosing "merit pay at 5%" to one hundred and twelve choosing "merit pay at 10%". Merit pay, though, was still not chosen by a majority of respondents despite the increase in its selection, and the decrease in the selection of other incentives.

TABLE III

RANKING OF MERIT PAY AT 10%

RANK	INCENTIVE	PERCENT	FREQUENCY
1.	Merit Pay	46.9	112
2.	Professional Growth	35.1	84
3.	Job Autonomy	27.2	65
4.	Career Advancement	24.3	58
5.	Recognition and Status	21.3	51
6.	Increased Responsibilities	8.8	21

Question 18: Merit Pay at 15%. Principals were asked to indicate which, if any, of a given list of incentives that they would prefer to a 15% merit pay bonus. Two hundred and thirty-five principals responded to this question, and nine did not respond. Results of those who responded to this question are listed below in rank order:

TABLE IV

RANKING OF MERIT PAY AT 15%

RANK	INCENTIVE	PERCENT	FREQUENCY
1.	Merit Pay	63.0	148
2.	Professional Growth	25.1	59
3.	Job Autonomy	20.0	47
4.	Recognition and Status	17.9	42
5.	Career Advancement	16.2	38
6.	Increased Responsibilities	8.1	19

Merit pay at 15% maintains its number one ranking and increases its lead over the other incentives. Compared to question 17, "merit pay" increased in frequency of choice from one hundred and twelve to one hundred and fourty-eight, or an increase of thirty-six respondents for a 16.1% increase. This increase occured despite the fact that principals could not choose "merit pay" along with other types of incentives, but must chose it in lieu of any of the other incentives listed. Other incentives did not have that limitation, but could be chosen along with another one or more, (except for "merit pay"). "Professional growth" maintained its number two ranking, with other incentives listed maintining their positions, except for "career advancement" and "recognition and status" switching back to their initial ranking in question 16. Merit pay at 15% is now the choice of a majority of the principals (almost 2/3rds

or 63.0%). All other incentives continued to lose in frequency of choice when compared to questions 16 and 17.

Question 19: Merit Pay at 20%. Principals were again asked to choose from the same list of incentives as in the preceding questions, in terms of preference to merit pay at 20%. Two hundred and thirty-three principals responded to this question, and eleven did not respond. A summary of those who did respond is listed below in rank order:

TABLE V

RANKING OF MERIT PAY AT 20%

RANK	INCENTIVE	PERCENT	FREQUENCY
1.	Merit Pay	68.8	161
2.	Professional Growth	21.5	50
3.	Job Autonomy	16.7	39
4.	Career Advancement	15.5	36
5.	Recognition and Status	15.0	35
6.	Increased Responsibilities	7.3	17

As in questions 17 and 18, "merit pay" receives the top ranking and again increases its lead over its competitors by an additional thirteen respondents or 5.8% when compared to merit pay at 15%. "Professional growth" also maintains its number two ranking, but loses nine more respondents or 3.6% when compared to question 18. Other incentives maintain their relative rankings also, except for the "career

advancement" and "recognition and status" categories which again switch positions in the rankings when compared to question 18. Merit pay at 20% attracts a large majority of the respondents which represents 68.8% or over 2/3rds of those responding. Even when including the ten non-respondents in the frequency for this question, "merit pay" still attracts 66.0% or almost 2/3rds of the total sample received.

TABLE VI

CHANGE IN RANK AND PERCENT OF INCENTIVES

INCENTIVE	5%Level	10%Level	15%Level	20%Level	%Change
Merit Pay	4/28.3	1/46.9	1/63.0	1/68.8	+40.5
Growth	1/48.5	2/35.1	2/25.1	2/21.5	-27.0
Autonomy	2/33.3	3/27.2	3/20.0	3/16.7	-16.6
Recognition	3/32.1	5/21.3	4/17.9	5/15.0	-17.1
Advancement	5/27.4	4/24.3	5/16.2	4/15.5	-11.9
Responsibility	6/10.1	6/08.8	6/08.1	6/07.3	- 2.8

Summary of Questions 16-19. Table VI shows how the individual incentives ranked given the different levels of merit pay, and how percent of choice changed with successive levels of merit pay. Merit pay was the only incentive to increase in preference as the percent of award increased. All other incentives decreased in popularity as the level of merit pay increased, and maintained their rankings within one

position at all levels. Merit pay was the only incentive to change rankings more than two positions. This change from the number four to the number one position occured between the 5% level and the 10% level and was maintained throughout the remaining rankings. Professional growth showed the greatest decrease in preference, but maintained its number two slot after losing the number one position at the 5% level. All incentives, including merit pay, established and maintained their trend to either increase or decrease in percent over each successive level. Responsibility was the incentive with the lowest preference level, and was therefore unable to lose as much percentage as the rest. Responsibility maintained its humble ranking as number six throughout the successive levels. Only "career advancement" and "recognition and status" changed rankings more than once throughout the four levels, and this change was with each other. Only "merit pay" was chosen by a majority of respondents at any level. Merit pay was a majority choice at both the 15% and 20% levels.

Written Comments Section

Question 20 gave principals an opportunity to provide any written comments about the survey or issues covered. One hundred and three or 42.2% of the principals gave written comments, and one hundred and forty-one or 57.8% did not. Comments ranged in length from "good luck!" to several

paragraphs of discussion. In fact, one respondent provided two published articles about merit pay which reflected his views. Two respondents asked for a copy of the results received from the survey. Thirty of the written comments expressed serious reservations about merit pay, and only nine showed some confidence in the concept.

STATISTICAL ANALYSIS

In an effort to discover whether or not any of the characteristics listed in the demographic section of the survey had any effect on principals preference of incentives, a series of crosstabs was run on SPSS for each separate demographic question with Chi-square as the statistical measure. The following section presents the results of these crosstabs for each separate question. (Appendix C contains a summary table for all crosstabs listed below, indicating Chi-square score and level of significance.)

Merit Pay by Age

In this crosstabs, Chi-square was used to test for a relationship between age and preference for merit pay. Merit pay at 5% was crosstabulated with the four different categories of age. A similar tabulation was run for merit at 10%, 15% and 20%. Age groups did respond differently to the four levels of merit pay offered. The following table shows

the percent preference of each age group for each level of merit pay:

TABLE VII

PERCENT PREFERENCE FOR MERIT PAY BY AGE

AGE GROUP	5%Level	10%Level	15%Level	20%Level
1. Under 35	42.9	57.1	71.4	71.4
2. 36-45	26.6	40.5	58.2	63.6
3. 46-55	25.3	51.6	65.6	72.8
4. 56 or more	42.3	53.8	72.0	76.0

All age groups showed an increasing preference for merit pay over other incentives given as the level of merit pay increased. Principals under 35 or over 56 or more years of age showed the greatest preference at different levels of merit pay offered. Yet, all age groups, except for the 36-45 age bracket, showed a majority preference for merit pay when it was offered at or above the 10% level. Only the 36-45 age group waited until 15% was offered before showing majority support.

Merit Pay by Sex

Several crosstabs were run to measure the relationship between sex and preference for merit pay. Crosstabs for merit pay at 5%, 10%, 15% and 20% were each run against the variable of sex. Some differences were observed and are

shown in Table VIII.

TABLE VIII

PERCENT PREFERENCE FOR MERIT PAY BY SEX

SEX	5%Level	10%Level	15%Level	20%Level
1. Male	29.6	48.7	63.4	70.7
2. Female	24.0	39.2	60.8	61.5

Differences between men and women were slight, although males did show a consistently greater preference throughout the different levels of merit pay offered. Both groups showed an increased interest in merit pay in comparison to the other incentives offered as the level of merit pay increased.

Merit Pay by Building Experience

A crosstab was run to see if there was any relationship between preference for merit pay and building experience. Some percent differences by grouping were found as is illustrated below:

TABLE IX

PERCENT PREFERENCE FOR MERIT PAY BY BUILDING EXP.

BUILD/EXP.(yrs.)	5%Level	10%Level	15%Level	20%Level
1. Less than 5	28.4	46.3	65.2	69.7
2. 5-15	25.2	45.5	62.2	68.2
3. 16-25	34.0	50.0	61.7	66.0
4. 26 or more	36.4	54.5	70.0	90.0

The "26 or more" group expressed the greatest preference for merit pay, which was an overwhelming majority of 90% at the highest level offered. This statistic is easily affected, though, by the fact that only ten individuals fit this category, thus allowing the choice of one or two to have a significant change on the percentage. All groups revealed a preference for merit pay at both the 15% and 20% levels, with only the "26 or more" group showing majority preference at the 10% level.

Merit Pay by Prior Positions

A crosstabulation of merit pay by prior positions was run to see if previous levels of experience had any relationship to a principal's preference for merit pay. Percent response for each level is listed below:

TABLE X

PERCENT PREFERENCE FOR MERIT PAY BY PRIOR POSITION

PRIOR POSITIONS	5%Level	10%Level	15%Level	20%Level
1. None	28.6	43.6	56.4	61.5
2. Assistant	26.9	48.9	69.2	76.7
3. District	30.0	50.0	63.6	63.6
4. Other	21.4	46.2	64.0	73.1
5. Assist. plus	41.1	47.4	59.2	62.5

All groups showed a majority preference for merit pay at the 15% and 20% levels. The "assistant principal" group showed the greatest preference at the 15% and 20% levels. Category 5 which included assitant principals who had additional administrative positions prior to becoming a principal, was a combination of categories 5 and 6. This collapsing of cells was done since each separate cell had ten or fewer respondents. Interestingly, this group was the lowest in percent preference while the other group of "assistants" had the highest percent of preference.

Merit Pay by Total Experience

In this comparison, merit pay was paired against total experience to see if any relationship existed. Table XI indicates percent preference at differing levels of merit pay offered.

As is shown in Table XI, the "more than 25 years" group

indicated the highest percent of preference. This same group along with the "16-25 years" group were the only two groups that showed preference for merit pay at not only the 15% and 20% levels, but at the 10% level as well. All groups indicated increased preference for merit pay, irrespective of experience level, as the percent of merit pay offered increased.

TABLE XI

PERCENT PREFERENCE FOR MERIT PAY BY EXPERIENCE

EXPERIENCE(yrs.)	5%Level	10%Level	15%Level	20%Level
1. Less than 5	38.2	48.6	64.7	64.7
2. 5-15	22.6	42.7	61.3	66.9
3. 16-25	31.3	52.3	65.1	72.6
4. More than 25	40.0	53.3	64.3	78.6

Merit Pay by Education

A crosstab of merit pay by education was run to see if amount or type of edcuation had any relationship to principals' preference for merit pay. Table XII indicates some difference in percent preference by group, but not to a large degree.

Preference for merit pay by a majority of respondents occurred for each group at the 15% and 20% levels. Two groups, the "Masters+30" and the "Masters+60" also showed majority preference by a slim margin at the 10% level. All

groups showed an increase in preference as the level of merit pay increased.

TABLE XII

PERCENT PREFERENCE FOR MERIT PAY BY EDUCATION

EDUCATION	5%Level	10%Level	15%Level	20%Level
1. Masters	27.8	50.0	68.4	72.2
2. Masters+30	27.8	51.2	60.5	67.9
3. Masters+60	29.0	50.5	63.9	69.2
4. Doctorate	20.0	20.0	60.0	64.3

Merit Pay by Longevity

Merit pay was crosstabulted with longevity to see if the length of time that a principal had been in a position effected h or her preference for merit pay. Table XIII indicates percent preference at different levels of merit pay for all groups.

The "more than 25" group represented only four principals thus allowing for a single respondent to sway the percent by 25%. Other groups, though, showed a strong preference for merit pay at the 15% and 20% levels as well.

TABLE XIII

PERCENT PREFERENCE FOR MERIT PAY BY LONGEVITY

LONGEVITY(yrs.)	5%Level	10%Level	15%Level	20%Level
1. Less than 5	30.0	43.8	60.9	67.6
2. 5-15	21.3	48.4	64.5	68.1
3. 16-25	39.3	51.7	64.3	71.4
4. More than 25	60.0	60.0	75.0	100.0

Merit Pay by Building Level

Is there a relationship between building level and preference for merit pay? Table XIV displays percent preference by group.

All groups indicated an increasing preference for merit pay as the level offered increased. The "middle" and "junior high" groups showed the greatest preference beginning with a majority selection at the 10% level. All groups indicated a majority preference at the 15% and 20% levels.

TABLE XIV

PERCENT PREFERENCE FOR MERIT PAY BY BUILDING LEVEL

BUILDING LEVEL	5%Level	10%Level	15%Level	20%Level
1. Elementary	30.5	47.4	61.6	67.5
2. Middle	24.1	51.7	65.5	75.0
3. Junior High	35.7	57.1	64.3	71.4
4. High School	20.9	38.1	65.9	68.3

Merit Pay by Building Size

The next crosstabs was run to see if building size had a relationship to preference for merit pay. Some interesting variations in percent preferences exist as is illustrated below:

TABLE XV

PERCENT PREFERENCE FOR MERIT PAY BY BUILDING SIZE

BUILDING SIZE	5%Level	10%Level	15%Level	20%Level
1. Less than 200	31.4	54.3	68.6	74.3
2. 200-499	29.0	46.3	63.2	67.4
3. 500-999	32.4	52.6	57.9	70.3
4. 1,000 or more	5.3	22.2	58.8	64.7

The "less than 200" group indicated the greatest interest in merit pay, with the "1,000 or more" group showing the least. The "1,000 or more" group showed the largest turn around in preference of any groups by changing its percent preference at the 10% level of 22.2% to 58.8% at the 15% level. Once again, all groups indicated an increasing preference for merit pay as the level offered increased. All groups had a majority preference for merit pay at the 15% and 20% levels and the "less than 200" and "500-999" group revealed a majority preference at the 10% level.

Merit Pay by District Size

Merit pay preference was measured against district size to investigate the relationship between how large a district is and how its principals respond to merit pay as an incentive. Percent preference for all groups are as follows:

TABLE XVI

PERCENT PREFERENCE FOR MERIT PAY BY DISTRICT SIZE

DISTRICT SIZE	5%LEVEL	10%LEVEL	15%LEVEL	20%LEVEL
1. Less than 1,000	36.4	53.5	69.8	72.7
2. 1,000-4,999	28.9	47.2	60.2	65.9
3. 5,000-14,999	21.9	47.1	69.7	78.1
4. 15,000 or more	28.9	39.5	51.4	56.8

The "less than 1,000" group showed the greatest preference for merit pay, while the "15,000 or more" group showed the least preference. The "5,000-14,999" group showed the greatest preference for merit pay at the 20% level with over 3/4ths of its members indicating merit pay as their choice. All groups increased in percent preference as the level of merit pay increased. All groups also indicated a majority preference at both the 15% and the 20% levels.

Merit Pay by Salary

Does current salary level affect an individual's preference for merit pay? Percent preferences for merit pay

are tabulated below:

TABLE XVII

PERCENT PREFERENCE TO MERIT PAY BY SALARY

SALARY	5%Level	10%Level	15%Level	20%Level
1. Under $30,000	30.0	40.0	60.0	70.0
2. $30,000-$39,999	30.3	49.3	62.6	67.2
3. $40,000 or more	25.2	44.7	64.4	72.0

All groups showed very similar patterns in preference for merit pay. The fourth group, "$50,000 or more" was placed with the third group since only two respondents indicated salaries in this range. All groups showed a majority preference for merit pay at the 15% and 20% levels. The most striking characteristic of this crosstab is the close patterning of percents for all groups.

Merit Pay by Location

A crosstab on merit pay by location was run to see if any relationship existed between where an individual lived and preference for merit pay. The table below illustrates percent preference by all groups:

TABLE XVIII

PERCENT PREFERENCE FOR MERIT PAY BY LOCATION

LOCATION	5%Level	10%Level	15%Level	20%Level
1. Western	31.3	48.8	66.0	72.0
2. Eastern	17.4	39.1	52.2	52.2
3. Southern	15.4	40.7	63.0	66.7
4. Central	33.3	47.6	52.4	66.7

The "western" group revealed the highest percent preference for merit pay, and the "eastern" group showed the lowest percent preference. In fact, if just one of the members of the "eastern" group had switched votes to another incentive besides merit pay, merit pay would not have been prefered by a majority of this group at any level. All groups showed a majority preference for merit pay at the 15% and 20% levels.

Merit Pay by Career Goals

A crosstab of merit pay by career goals resulted in the largest Chi-square (X2=7.62) value of the crosstabs run in this study. The category which appears to have the greatest dependency to level of merit pay is the "leave administration" group. This is the only group which reveals a majority support for the concept of merit pay at the 5% level. This dependency, though, becomes less pronounced in comparison to the other categories as the level of merit pay

increases. The table below illustrates the difference in percent preference of groups:

TABLE XIX

PERCENT PREFERENCE OF MERIT PAY BY CAREER GOAL

CAREER GOAL	5%Level	10%Level	15%Level	20%Level
1. Principalship	26.2	47.7	62.6	68.0
2. Central Office	30.8	48.8	72.5	80.0
3. Leave Admin.	63.6	63.6	81.8	90.0
4. Other	23.7	36.8	48.6	54.1

The "leave administration" group showed the greatest enthusiasm for merit pay. This figure, though, may be misleading since only ten principals checked this category. Those seeking a "central office" position also showed a great deal of interest in merit pay. The "other" category, which included ten principals who said that they were going to retire, showed the least interest in merit pay. All groups showed a majority preference for merit pay at the 15% and 20% levels, with the "leave administration" group showing a majority interest at all levels.

Merit Pay by Educational Goals

A crosstab of merit pay by educational goals was run to see if preference for merit pay was effected by an individual's educational goals. Table XX lists the percent

preference scores by grouping. (Categories 6,7 and 8 were grouped together because of the lack of a response to 7 and only to responses to 8.)

TABLE XX

PERCENT PREFERENCE FOR MERIT PAY BY ED. GOALS

ED/GOALS	5%Level	10%Level	15%Level	20%Level
1. Standard	18.6	43.3	51.7	59.3
2. Superintendent	23.5	41.2	72.7	81.8
3. Doctorate	35.1	52.8	66.7	73.0
4. None	34.6	48.8	67.1	71.8
5. Other	10.0	45.5	45.5	45.5
6. Stand/Supt.+	26.9	36.4	63.6	63.6

Although no large differences between groups were found, some rather interesting variations in percent preference exist. For example, the "other" group did not show a majority preference for merit pay at any level. With only eleven principals checking this category, though, one individual selecting merit pay rather than one of the other incentives would have swung the result in favor of merit pay. However, this group did not show a great preference for merit pay. Those going for a "Superintendent Certificate" indicated the greatest preference for merit pay with a 81.8% preference at the 20% level. All groups, with the exception of "other" revealed a majority preference for merit pay at

the 15% and 20% levels. The "doctorate" group also showed a majority preference at the 10% level.

Merit by Merit

In question 15, principals indicated whether or not they had experienced merit pay as an administrator. This crosstab measured previous exposure to merit pay to preference for merit pay at the four levels of merit pay offered. Crosstabs run produced chi-square scores which were insufficient in signifying any dependent relationship. In fact, as shown in Table XXI, percent preference was almost identical for both groups.

No other crosstabs run produced percent preference scores as close as these were. Both groups revealed a steady increase preference for merit pay as the levels offered increased. Both groups showed a majority preference for merit pay at both the 15% and 20% levels.

TABLE XXI

PERCENT PREFERENCE FOR MERIT PAY BY MERIT PAY

MERIT EXP.	5%Level	10%Level	15%Level	20%Level
1. Yes	27.8	47.2	62.9	70.6
2. No	28.4	47.5	63.8	68.9

Additional Crosstabs

The following crosstabs measured a variety of variables

against each other to test for dependence. This crosstabs measure a dependent variable other than preference for merit pay.

Professional Growth Preference by Professional Growth Experience. In this crosstab, previous experience with professional growth as an incentive was measured against preference for professional growth at all four levels of merit pay offered. (See Table XXII for percent preference scores).

Both groups showed declining preference for professional growth opportunities as the percent of merit pay increased, except for the small variation for the "no" group between levels 15% and 20%. Groups were almost identical in preferences irrespective of whether or not they had previously experienced professional growth as an incentive.

TABLE XXII

PERCENT PREFERENCE FOR GROWTH BY MERIT PAY LEVEL

GROWTH EXP.	5%Level	10%Level	15%Level	20%Level
1. Yes	49.4	35.0	27.1	21.3
2. No	46.8	35.1	21.1	21.1

Career Advancement by Longevity. "Career Advancement" was measured against "longevity" to see if length in district affected preference for career advancement within that district. Chi-square scores did not indicate a strong

relationship, yet a definite trend in percent preference scores was seen (Table XXIII). (Categories 3 and 4 were collapsed into one due to only four respondents to 4.)

The "16 or more" group showed the least interest in career advancement with no greater than a 10% preference when paired against merit pay at the four different levels. No group indicated any majority preference for career advancement. In fact, preference declined as merit pay offered increased, except for the change from 6.7% to 10.0% expressed by the "16 or more" group when moving from the 15% level to the 20% level.

TABLE XXIII

PERCENT PREFERENCE FOR ADVANCEMENT BY LONGEVITY

LONGEVITY(yrs.)	5%Level	10%Level	15%Level	20%Level
1. Less than 5	29.1	27.7	19.1	17.6
2. 5-15	30.9	24.7	16.1	15.1
3. 16 or more	7.0	6.8	6.7	10.0

Preference for Merit Pay by Level Offered. Crosstabs comparing total group "preference for merit pay by level offered" was not possible on SPSS due to the way in which the data was collected. The questionnaire asked principals to respond to preference for merit pay at all levels offered, and thus created multiple responses for a crosstabulation. Therefore, the variable of preference for merit pay could not

be separated out for the total group at each level of merit pay offered except by a frequency tabulation in table form. The following data is provided in table form to demonstrate percent preference for merit pay as the level of merit pay increases for the total group: (Percents are given for those who responded to the four questions of merit pay preference i.e. questions 16-19.)

TABLE XXIV

PERCENT PREFERENCE FOR MERIT PAY

PREFERENCE	5%Level	10%Level	15%Level	20%Level
1. Yes	28.3	46.9	63.0	68.8
2. No	71.7	53.1	37.0	31.2

The data displayed above clearly reveal an increasing preference for merit pay as the level offered increases. Whereas a minority of respondents show a preference for merit pay at the 5% and 10% levels, a large majority preference of almost 2/3rds at the 15% level and over 2/3rds at the 20% level is evident. These data at least suggest a relationship between the level of merit pay and response pattern. The following table describes this relationship by providing frequency data for each of the incentives listed at each level of merit pay offered:

TABLE XXV

FREQUENCY OF INCENTIVES CHOSEN BY LEVEL

INCENTIVE	5%	10%	15%	20%	CHANGE
1. Autonomy	79	65	47	39	-40
2. Recognition	76	51	42	35	-41
3. Growth	115	84	59	50	-65
4. Advancement	65	58	38	36	-29
5. Responsibility	24	21	19	17	- 7
6. Merit Pay	67	112	148	161	+94
TOTAL(#6 N/A)	359	279	206	177	-182

Frequency information provided in the table above again reveals that preference for merit pay and other incentives changes with the level of merit pay offered. These tables along with those found earlier which compare "preference for merit pay" with demographic characteristics reveal a consistent pattern of increased percent or frequency preference for merit pay as the level offered is increased. These frequency data provide information pertaining to the first two research questions raised in the methodology section of this paper.

CHAPTER V

DISCUSSION

The following discussion seeks to respond to the results received fron the survey conducted. Issues raised in the initial chapter as to the potential motivational effects of various incentives are discussed in relation to the results received along with general questions as to the format of the questionnaire and the nature of study conducted.

RESPONSE TO QUESTIONNAIRE

Several factors may have contributed to the high rate of return (78%) of surveys. The questionnaire itself was brief, having only 20 questions, and each question was relatively easy to respond to. As was evidenced by the field study of the questionnaire, principals normally required fewer than 10 minutes to complete the survey form.

Secondly, the concept of merit pay is an emotional issue for administrators which is currently being considered by various district boards, and has received considerable attention in the literature. Merit pay is linked to the important issue of administrator performance and therefore receives careful scrutiny. As was evidenced by the nature of

the "general comments" received, merit pay is an "emotional" issue, and thus commands attention by administrators. The following written comments by principals indicate the strong feelings of administrators, both pro and con, to the issue of merit pay. First, several of the "pro" comments:

-Merit pay will be the only solution to weeding out incompetent administrators!

-Merit pay is the only incentive of primary interest to me.

-Pay someone for his or her worth and...you will see continued enthusiasm and hard work.

And now for several "con" comments:

-I do not believe in merit pay in a public school...regardless of price.

-Merit pay reduces professionalism!

-I feel that merit pay would be devisive and detrimental to a district...

Of the 39 written responses that indicated a strong opinion about merit pay, 30 were opposed to merit pay and 9 were in favor. This result seems to indicate that the emotional overtones of merit pay are mainly negative and may have effected how principals responded to the questions.

A third factor which may have influenced individuals' willingness to respond to the survey was the "appeal" in the cover letter. The "appeal" stated that the information received was "vital" to the completion of the researcher's

doctorate. The greeting indicated that the researcher was also a building principal interested in his colleagues responses to several questions regrarding merit pay.

Finally, the survey was received by most principals the week following "Spring break" which may have found refreshed and willing respondents. The fact that over 100 surveys were returned within a day of being received seems to support this belief.

LIMITATIONS OF THIS STUDY

In an effort to receive a representative sampling of Oregon school principals, a random selection was made of the Confederation of Oregon School Administrator's list of principals. The obvious limitation to this selection is that COSA does not include all principals on its mailing list. Thus, in order for a principal to receive a survey, they had to be a member of COSA. Also, even though 78% of the surveys mailed were returned, 22% were not, which might have swayed results in one direction or another.

The survey was field tested by only 15 administrators, whose comments were incorporated into the making of the survey format, but may not have been representative of the larger sample. For example, one respondent to the survey expressed frustration to the fact that they were "directed" to particular responses and didn't have all the options that

they needed. Also, the definitions provided in the survey were created by the researcher and may have not had the clarity needed to explain what was meant by each incentive listed. In addition, several principals seemed to "skip" the middle page of the survey which may not have occured if instructions directed subjects to respond to all three pages. This phenomena, though, may have been caused by having the definitions listed on the same page with only two questions.

As was mentioned earlier in the discussion, merit pay is an emotional-laden term which may have "blinded" respondents to the questions being asked. Those who had heard or experienced negative aspects of merit pay, may have been reluctant to consider how a 20% increase in salary would allow them to provide for some of the other incentives listed such as professional growth. Conversely, principals who showed a preference for merit pay may have been naively attracted to the potential increase in salary without realizing the potential side effects of such a program. It is impossible to determine how knowledgeable the sample population was of the many issues involved with merit pay. Possibly this survey will have stimulated some interest and inquiry.

Not all possible incentives were listed for principals to choose from. Thus, preference for merit pay may have been lower if other incentives were available in addition to those listed. For example, one principal said that he would prefer

additional administrative help in his building to any of the incentives offered. Such an incentive could have had a strong appeal to many. By including the category "other" with each listing, such a problem may have been avoided, but another problem would have definitely been created, i.e., trying to classify the "other" category as a dimension of the "physical-economic" theory or the "job satisfaction" theory. Thus, a certain amount of structure was needed to classify responses, but this same structure, ironically, may have inhibited some responses.

CHARACTERISTICS OF "TYPICAL" RESPONDENT

The frequencies run on the sample found that the "typical" principal was a 45 year-old male. Other "typical" characteristics were as follows: (1) 5-15 years experience as a principal; (2) had been an assistant principal; (3) 5-15 years total as an administrator; (4) Masters +60; (5) less than 5 years in current position; (6) elementary principal; (7) building size of 200-499; (8) district size of 1,000-4,999; (9) salary range from $30,000 to $39,999; (10) lived in "western" region; (11) wanted to maintain principalship; (12) probably had all the formal education that they wanted; (14) had experienced "professional growth" as an incentive; and (15) would like more money. The "typical" principal, then, appears rather content in the job

role that he or she has and would be even more content if his or her salary were higher.

ANALYSIS OF RANKING RESULTS

In the results section, a series of "rankings" were illustrated that were summarized in Table VI. Information contained in this comparison of rankings revealed that merit pay was the number one ranked incentive when offered at the 10%, 15% and 20% levels. This result indicates that other incentives lose their splendor as the monetary benefit of merit pay increases.

If "money" is as strong an incentive as these results suggest, then it may explain the reduction in preference to other incentives listed which are monetarily based. Why accept the additional headaches attached to a central office position, if you can receive similar salary increases through a merit pay program? Thus, the incentive of "career advancement" may be reduced by the potential of receiving additional compensation through merit pay without the accompanying heartburn. "Professional growth" may have also been affected because of the monetary tie. In fact, one respondent in his written comments said that with a 20% merit pay award, he could pay for all the professional growth he wanted.

Despite the dramatic decrease in preference for

"professional growth" from levels of 5% to 10%, this incentive still maintained a strong showing with a number two ranking throughout the remaining levels offered. Professional growth opportunities, then, seem to be a very viable incentive for districts to use in addition to any other type of incentive program they may have. Money spent on "professional growth opportunities" benefits both the district and the individual, whereas merit pay money has no such guaranteed potential since no strings can be attached. Thus a principal receiving a 20% bonus may choose to make a down payment on a Mercedes, (which may be viewed as a frivolous expenditure by some taxpayers), rather than completing further study in educational administration.

"Job autonomy","career advancement", and "recognition and status" also showed favorable rankings and were comparitively close in preference. Certainly, a combination of these incentives might prove to be a powerful challenger to that of merit pay. Since the questionnaire did not clearly state that an individual could have "all" of the incentives listed in lieu of merit pay, some respondents may have ranked merit pay differently if such an option had been more clearly stated.

"Increased responsibilities" did not fair well as an "incentive" when measured against the other incentives offered. In fact, one principal wrote in the comment section that he did not consider "increased responsibilities" as an

incentive but as an "disincentive". Increased responsibilities, though, might find some value for those seeking career advancement within their district, in that the acceptance of extra assignments would demonstrate their willingness to perform district-wide responsibilities. Those who believe that principals crave more work, would be wise to consider other incentives in order to motivate administators towards improved performance.

DISCUSSION OF CROSSTABS

A variety of crosstabs were run (see Appendix D) to see if any of the characteristics measured in the sample contributed to difference in response. No matter how groups were split up, there was a steady trend to choose merit pay more readily as the level of merit pay increased. None of these crosstabs, though, (except for merit at 5% by career goals), produced chi-square scores large enough to reject the statistical hypothesis, yet certain trends were observed which are discussed in the following section.

Age was selected as a variable, because it was felt that younger administrators may be attracted to merit pay because of a lower salary in comparison to their peers. It was also hypothesized that individuals nearing retirement might find merit pay especially attractive since retirement compensation rates are based on the last three years of salary. Neither

of these suspicions were supported by the data to a level of significance great enough to reject the staistical hypothesis, although the "56 or more" age group did show the greatest preference for merit pay with the "less than 35" age group close behind.

It was hypothesized that more male principals than female might be the sole bread winner for the family and therefore might show a greater preference for increased compensation. The data did reveal that male principals showed a greater preference, but not at a level sufficient to support the research hypothesis. It could be hypothesized that females, being a minority in the principal ranks, might feel at a disadvantage in competing for the merit pay dollars in the traditional "good old boys club", thus showing less of a preference for a merit pay system.

Principals with a greater amount of building experience might feel that they had a better chance to compete with their colleagues under a merit pay system. Except for the most experienced group, the trend actually went in the other direction, where the least experienced showed the greatest preference. This result, though, follows the results received in the "age" comparison, since the groups which showed the greatest support were the "oldest" and the

"youngest" assuming, of course, that those with more experience were probably older.

The assumption underlying the next comparison was that individuals with district office experience might be more inclined to accept a merit pay program since they worked more closely with those who would be responsible for determining who got the bonus. This assumption is supported through the first couple of levels, but then falls apart in the higher levels of merit pay offered. An obvious contributing factor to this anomaly is the small number of principals who indicated district office experience.

It was anticipated that the greater amount of experience that an administrator had, the greater his or her willingness to accept a merit pay system where they would be competing against peers with less experience. The trend did support this assumption, but not at a level of significance. This trend is consistent with the other crosstabs where the most senior group showed the greatest preference.

Principals with the highest level of education were expected to show the greatest preference for merit pay, due to their ambition. The results of the crosstabs did not show a trend in this direction or in any direction. Groups were very closely matched in preference rates.

Discussions often occur about the additional responsibilities of the secondary principal to that of the elementary principal. With these comparisons in mind, it was

anticipated that high school principals would feel the greatest need to be compensated according to the additional responsibility attached to their jobs, and that merit pay might be a way to do it. However, the group that showed the greatest interest in merit pay was the "middle" group, and the high school group showed the least, or very close to the lowest preference at most levels.

It was anticipated that principals of larger schools would see a greater need for additional compensation in relation to their peers, because of the additional responsibility and headaches attached to a large school. Results showed the opposite trend. This may be due to the fact that principals of smaller schools are payed less than principals of large schools and may see merit pay as a means to draw their salaries closer. Principals of smaller schools may also feel that they would have the time to devote to the special activities normally associated with a merit pay program. Principals of larger schools may already see themselves overloaded and thus unable to add any tasks to their schedules which would qualify them for merit pay. In fact, several principals, in the written comments, indicated that they were already busy enough and were doing their best and would not be motivated by any amount of merit pay offered.

Principals from smaller districts were expected to have a greater preference for merit pay because of the lower

salaries usually available. Principals in the smallest district category did show a high level of preference, but a correlation between district size and preference was interrupted by the group in the second largest district size category showing the greatest preference at the 20% level. A possible reason why the largest district group indicated the least preference was expressed by one of the principals in written comments: "In a large district merit pay is not possible because there are too many comparisons being made of people in the same position".

Two possible and opposing trends were anticipated regarding the independent variable of "salary": (1) principals with lower salaries would want merit pay more because of their comparatively low compensation; and (2) principals with highest salary would want merit pay more because a percent raise would mean more dollars to them in comparison to their peers at lower salary ranges. There was no conclusive evidence that either assumption was true, although, principals in the highest salary range did show the greatest preference at the higher levels of merit pay.

Merit pay is considered a relatively "new" trend for administrators, even though it has been around in one form or other for over fifty years. Considering the "liberal" nature of merit pay, in that it suggests that performance in people services is translatable into monetary terms, and that people work for money rather than the intrinsic rewards inherent in

education, the assumption was made that more conservative regions in the state would be less likely to accept merit pay as a viable incentive. Results do support this theory in that the "liberal" western region showed the greatest preference for merit pay and the "conservative" eastern region showed the most reluctance, with the southern and central regions falling in the middle. In fact, principals from the eastern region barely showed a preference for merit pay and only at the higher levels. If one more member of the eastern group had voted against merit pay, a majority preference from this group would not have occurred. Another possible explanation for the different response by region, is that some individuals may be attracted to a particular location, not because of competive salaries but for reasons other than monetary.

It was anticipated that those with a career goal of working in the central office would have the greatest interest in merit pay because of their desire for advancement. Activities involved in a merit pay program do tend to "display" the accomplishments of the principal. Exposure of "talents" might favor a principal being considered for promotion. Results did show this group having a great deal of interest in merit pay, but the group that revealed the greatest interest was the "leave administration" group. This result might be explained by the fact that the "leave administration" group are experiencing a

disenchantment with administration, possibly due to low compensation received in comparison to other professions. Thus, the greatest incentive to keep them interested in administration as a career would be additional compensation. It is also possible that many of those checking the "leave administration" category are not disenchanted with the principalship but simply close to retirement. Thus, additional compensation in the later three years of service would significantly affect their retirement compensation rate. This conclusion would be consistent with the other comparisons where the eldest or most experienced group showed the greatest interest in merit pay.

Once again, those seeking central office postions are hypothesized to have a greater propensity for merit pay in the crosstabs of "merit by educational goals". Thus, individuals indicating that they had the goal of completing their superintendent certificate were expected to be seeking central office jobs and therefore would want their talents displayed in a metorious evaluation program, or simply wanted the extra money to pay for tuition. The "superintendent" group did show the greatest interest in the higher levels of merit pay, but lagged behind in the lower levels. Possibly, then, the "superintendent" group isn't interested in the competition involved in a merit pay program, but would find the higher levels offered too good to refuse. Possible, this

group is seeking central office positions because of the higher compensation involved, thus making merit pay a good alternative to changing positions.

In the "merit by merit" crosstab, it was hypothesized that those who had experienced merit pay as an administrator would not favor having it again. This expectation was based upon the preponderance of examples in the literature where merit pay programs have been unsuccessful. Crosstabs did not support this conclusion, but showed almost no difference between groups for preference of merit pay. It is not known whether or not those who claimed to have experienced merit pay had been in a legitimate program. Thus, their understanding of merit pay and its ramifications, may have been limited. It is also possible that those who said that they had experienced merit pay were a part of a legitimate program and just felt that the additional compensation available outweighed any negative aspects involved. One principal, though, saw the negative aspect of merit pay eventually winning out over the positive benefit of more money: "I taught in a district that had merit pay for both teachers and administrators. I was glad to take the extra pay, but the negative attitudes towards merit pay eventually prevailed and teachers no longer have it".

Two additional crosstabs were run which did not compare level of merit pay to another variable but compared "preference for advancement by longevity" and "preference for

growth by growth expeience". Each of these crosstabs is discussed separately in the following two paragraphs.

In the comparison of "advancement by longevity", it was hypothesized that the longer an individual had been in a district, the more that they would be interested in "career advancement" within that district. Just the opposite trend occurred. A possible explanation for this result is that the longer an individual remains at a particular level of administration, the more satisfied they become and less willing to make a change. Or, as usually occurs, administrators with greater longevity as principals find that their salaries become closely comparable to district level positions, yet they maintain a shorter work year and greater autonomy. Administrators new to a district might find those central office positions attractive due to the increased salary and additional responsibility or challenge.

The crosstabs of "preference for professional growth opportunities by experience with professional growth" was run to test the hypothesis that those who had experienced the benefits of professional growth would be inclined to continue to choose them as an incentive. Results for both groups were almost identical, thus dismissing any conclusion regarding a greater propensity for professional growth based upon previous growth experiences. It is possible that those who have experienced professional growth opportunities have "peaked" out in their need for additional college coursework,

whereas those who have not had the opportunity made readily available to them might complete some of that coursework they have been meaning to if given a little incentive.
Another possible reason why these groups showed almost identical preference may be simply based on the fact that professional growth opportunites are a viable incentive to administrators no matter at what stage of development they find themselves.

FINDING A RELATIONSHIP

As has been seen in all of the comparisons mentioned in the previous section of our discussion, preference for merit pay increases with level offered no matter what groups are being compared. In order to test this relationship empirically, a crosstabs of "preference for merit pay by level offered" was considered. Such a comparison would test the hypothesis that merit pay prefernce is dependent upon the level offered. Although a Chi-square test of dependency was not possible due to the tallied format of the responses, it was interesting to see at what level of merit pay that administrators suddenly showed a majority preference for merit pay in comparison to the other incentives offered.

The four levels of merit pay were offered in response to the ASCD report on merit pay recommending that levels of merit pay be between the 5% and 20% range. As can be recalled

from our earlier discussion in chapters I and II, merit pay was chosen as an incentive to test the "physical-economic" theory against the "job satisfaction" theory of motivation. Merit pay, then, was viewed as the incentive representative of the "physical-economic" theory, and the other incentives listed were considered as "job satisfaction" factors. As was seen from the variety of tallies run, all incentives received some response from principals as being attractive to them. In fact, at the 5% level of merit pay, the "job satisfaction" factors of "growth", "autonomy" and "increased recognition" were prefered by principals. When merit pay was offered at the 10% level, though, it was the number one choice and maintained this ranking throughout the other succeeding levels. Also, the rate of choice for merit pay steadily increased as the levels increased, resulting in a majority choice at levels 15% and 20%. Table XXVI illustates this relationship.

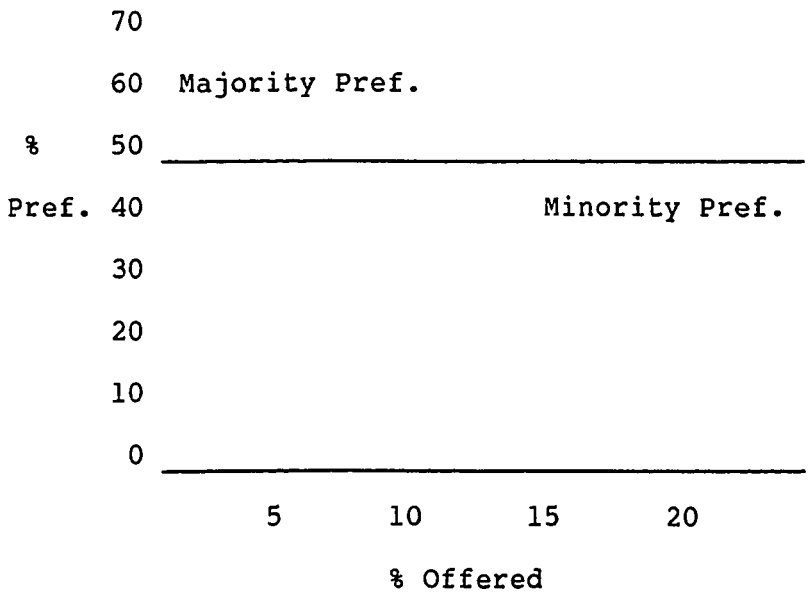
The only possible explanation for this change in preference appeared to be level of merit pay, since all of the other comparisons of group characteristics failed to prove empirically that any of the sample characteristics measured were a contributing factor to preference change. It is clearly understood, though, by this researcher, that other factors than those measured undoubtedly exist. It is still unknown, though, as to whether any other factors than that of

level of merit pay would account for the dramatic and consistent change in preference.

TABLE XXVI

RELATIONSHIP BETWEEN

PERCENT OFFERED AND PERCENT PREFERENCE



CHAPTER VI

CONCLUSIONS

The "effective schooling" research has created renewed interest in the role of the building principal as not solely a manager of people and things, but as an instructional leader (Murphy, 1985). With this special focus on the principal as the "change agent" within the school setting, school boards are challenged to discover and implement ways in which improved administrator performance can be encouraged.

The purpose of this study was to investigate a variety of incentives available to districts that can affect administrator performance when properly implemented. An underlying assumption of this study was that administrative performance at the building level can be improved if the appropriate conditions exist in terms of motivators.

There are a variety of "schools of thought" regarding how individuals in the work place are best motivated. For purposes of this study, the "physical-economic" theory and the "job satisfaction" theory were paired against each other to see which type of motivators building principals would show the greatest interest in. The "physical-economic" concept of merit pay was chosen because of the current interest in merit pay. The "job satisfaction" concepts of

increased recognition and status, increased job autonomy, increased responsibilities, career advancement, and professional growth opportunities were chosen, because these are the types of incentives normally used by districts.

Building principals were surveyed to see which of the different incentives listed they would prefer. A basic assumption was made that principals would know best what type of incentive would motivate them towards improved performance. Unfortunately, sometimes those who will be affected the most by the implementation of a new program intended to help them are the last ones to be asked. The approach of this study was to ask those who would be directly affected by an incentive program and not make the assumption that other sources of information were better.

Results of the survey clearly indicated a preference for merit pay at the higher levels offered. Although the data were not testable empirically, frequencies tallied and percents derived from these numbers showed a strong and consistent preference for merit pay at the 15% and 20% levels. These results would seem to tell us that the "work itself" incentives are desirable to principals irrespective of demographics, but when paired against ever increasing levels of potential monetary compensation, they loose their splendor.

Research Questions Raised in this Study

Applying this conclusion to the several "questions of interest" upon which this dissertation is based, would result in the following answers which are related separately to each question.

Question of Preference for Incentives Listed. The survey results indicate that the majority of principals sampled prefered merit pay as a incentive to motivate them towards improved performance over the other incentives listed only at the higher levels offered. This finding would seem to indicate that the "physical-economic" school of thought has correctly identified "monetary compensation" as a primary motivator for improved performance when offered at a substantial level. The "work itself" school of thought, though, found considerable support for incentives other than merit pay at the 5% and 10% levels. In fact, "professional growth" by itself was chosen over "merit pay" at the 5% level. "Merit pay" was not chosen by a majority of the respondents until it was offered at the 15% and 20% levels. This result indicates that districts which wish to utilize merit pay as an incentive need to be prepared to offer a substantial amount of money if they desire merit pay to be a stronger incentive than others listed in this study.

Question of Preference Change as the Level of Merit Pay Increases. Data collected clearly revealed that as the level of merit pay increases preference for its use as an incentive

increases dramatically. This finding would appear to support the theory (Friesen, 1984) that "adequate compensation and benefits" is more than simply a "hygiene factor" which effects "job dissatisfaction", but that it also operates as a "motivational factor" which ultimately effects a principal's "job satisfaction" by adding "meaningfulness" to the "work itself".

Question of Preference Affected by Characteristics. Twenty different crosstabulations were run to see if particular groupings of principals would indicate a greater preference for merit pay in comparison to other groups. The only clear trend evidenced by this series of crosstabs was that the majority of principals prefered merit pay at the higher levels offered irrespective of any particular grouping.

Before drawing conclusions too rapidly, though, several factors must be recognized and addressed. Each of these factors are discussed in the following several sections.

STATIC VS. DYNAMIC VARIABLES

The "job satisfaction" variables did not change in level of significance over the several levels of merit pay offered, whereas "merit pay" did...and dramatically so. If "job satisfaction" variables could have been increased simultaneously with the increase in merit pay, a different

result may have occurred. For example, the "professional growth" incentive could have changed from "six credit hours of coursework payed by the district" to "field study in the Bahamas for a year". This change in focus on what the "job satisfaction" incentives could entail, may have caused a different reaction. Realistically, though, the "job satisfaction" incentives are rather static and do not seem to have the same dimension as different levels of compensation awarded. The fact that merit pay has a dynamic dimension, may be a reason why various districts view it as a viable way to distinguish between different levels of performance. This conclusion is not to say that "job satisfaction" incentives cannot vary from one recipient to another. It is to say that different levels of merit pay are more easily identifiable by both the giver and the recipient.

MONETARY REALITIES

It would be nice to be able to offer all principals a 15% or 20% increase in salary. The way that schools are financed and the fact that administrator salaries are often published in the local paper for public review makes it unlikely that any district would or could offer such increases. What would a principal have to do to earn a 15% or 20% increase, and at what cost to his peers? Since the monetary pie given to districts is only so large, it is

probable that a sizeable increase given to one principal would have a negative effect on money available to the other principals. Often times districts determine how much money they can afford for salary increases and then divide it up accordingly. Thus, the reality of merit pay increases large enough to act as viable incentives to principals seems very unlikely.

PROBLEMS INHERENT TO MERIT PAY

Chapters I and II discussed in detail the problems inherent with merit pay. These problems are listed below with accompanying commentary from principals who participated in this study:

1. Difficulty translating performance into monetary terms fairly and equitably:

-"I don't believe it has or can be done with equal justice regardless of how or who is the evaluator."

-"Even though I received the maximum amount for merit pay each year, I still felt that the criteria was unmeasurable by anyone but professional educators...certainly not amateurs like board members!"

-"The main problem with merit pay applies also to administrator merit pay...Who defines and measures merit?"

-"...based on vague evaluative criteria and value/belief systems of the 'evaluators'."

-"Talk to someone who has tried this at Tek. To them 'merit' means quantity with quality control. How do we do this in education?"

2. Adverse effects on staff morale:

-"...causes poor morale and hard feelings."

-"...facilitates unhealthy competition and credit taking."

-"...breaks down the team concept.

-"...tends to be devisive."

-"...creates conflict within the staff."

-"...reduces professionalism."

-"...causes friction between the administrators."

-"...demoralizing and highly political."

-"...destructive to collegial relationships."

-"...adversely affects cooperation within the staff."

3. Money is not a viable motivator for all:

-"I'm not motivated by merit pay."

-"Not really interested in more than a 5% merit pay program."

-"The dollars are not that significant."

These several problems illustrate why merit pay has not been successfully implemented in a large number of districts. If a district were able to magically eliminate the first two problems of equity and devisiveness, it would still need to face the reality that money is not necessarily a viable

motivator for all.

A POSSIBLE SOLUTION

Even though merit pay is not a motivator for all principals, the results of this survey indicate that in comparison to other "traditional" incentives used by districts, merit pay is favored by a significant number of principals even at the lower amounts. Several principals provided a possible solution to this apparent dilemna: "Why not offer merit pay by building, department or team, thus eliminating the competitiveness between those who must work together closely?" This approach may have appeal to some administrators and possibly school boards, in that it encourages rather than discourages the "team" approach, where members must work cooperatively together rather than competively against each other to reach a common goal.

The obvious limitation to such an approach is that school boards could not distinguish between which of its principals were "better". Group merit pay would not lend itself to singling out a particularly slothful administrator who needed to "get his or her act together". The peer pressure created by a group merit pay program, though, might accomplish more towards motivating the reluctant learner towards improved performance than individual merit pay, because each administrator's performance would reflect on the

rest of the team members. And, if the reluctant administrator did not function well as a team member, isolation created by other members could be significant.

Questions of measurement, though, would still be present. How would you translate a team effort into "points" for purposes of compensation? How would you be able to decide how many points equal so much money? Formulas have been tried, as was illustrated by the several plans presented in Chapter II, but they always leave questions of "fairness". Certainly, though, group merit pay, since it doesn't distinguish between team members, would decrease the significance of the amount of money paid in that all members would be compensated equally.

SUGGESTIONS FOR FURTHER STUDY

This study purposefully avoided speaking to "negative" merit pay, or as one respondent wrote, "demerit pay". "Demerit pay" is a feature of many plans reviewed in this study, including the "Beaverton" plan. An administrator who is found wanting in his or her evaluation, can be "docked" the salary increase given to the rest of the team. Such a possibility of "demerit pay" may cause principals to respond to merit pay as an incentive differently, thus causing a significant difference in data received. "Negative" merit pay was not discussed as an option, because this study wanted

to see if under the "best" possible conditions, how merit pay would fare. Also, because the other incentives could not be offered in a negative fashion, consistency required limiting merit pay to a "pay award" rather than a "pay penalty".

A future study may want to deal with "demerit" pay along with merit pay to see if administrators would demonstrate the same support for merit pay under both options. Such a study could ask principals how they would rate merit pay as an incentive in comparison with other types of incentives, if merit pay could be taken away as well as given. Under these conditions, the risk that an administrator would take by accepting a merit pay plan would be greatly increased.

A FINAL STATEMENT

Even though merit pay received a popular response from the principals surveyed at the higher levels offered, merit pay's track record is so poor as to suggest that better measurement methods need to be devised before such a program is initiated. It is doubtful, according to the literature reviewed, that such an objective and equitable means of measurement is feasible without interfering in a principal's daily routine, thus reducing the principal's effectiveness.

Administrator performance must continually be improved so that our children are best served, yet the simplistic concept of merit pay would seem to interfer rather than

facilitate that improvement. Each principal is a unique individual, and as such, deserves individual assistance. Public education has made great strides to view each student as a unique and special person who needs our guidance but should be allowed to develop and remain unique. Why then, are some districts trying to so closely scrutinize and categorize its administrators, as to develop "clones" from a master plan? Merit pay lends itself to comparisons of individuals against a fictional "ideal" which may be appropriate in one situation and not in another. If we are sincere in stating that each person is uniquely special, then shouldn't we evaluate our principals accordingly? Why not let each principal, with his or her supervisor, determine the "incentive" program that would be best in motivating that principal towards improvement? Thus, not only would performance goals be unique for each, but so would the "support system" established mutually between the principal and his or her supervisor.

Money is an attractive incentive, as was evidenced by the response to our survey. It is questionable, though, that monetary compensation should be the primary focus within education to reward individuals for exemplary performance. Competitive salaries to attract and keep outstanding administrators in public education would seem to be critical if we are sincere about providing the best for our children. Yet, other types of incentives as offered by the "work

itself" school of thought, would seem to be more appropriate in rewarding individuals for a job well done in that they encourage the individual to find meaningfulness in what they are doing beyond the monthly paycheck.

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APPENDICES

APPENDIX A

COVER LETTER

Dear Principal and Colleague:

Please take a few thoughtful minutes to respond to the enclosed questionnaire. Your input is vital as research data for the completion of my doctorate at Portland State University. Information gathered is completely confidential since surveys are unidentifiable.

As you know, merit pay has received considerable attention recently as a means to improve administrator performance. By completing this questionnaire, you will have the opportunity to respond as to whether or not merit pay is a viable incentive to you. You will be asked if you prefer other types of incentives to merit pay and if this preference is effected by the amount of merit pay offered.

Thank you for your invaluable input! Your response to this questionnaire would be greatly appreciated by April 11, 1986 or as soon as possible. A postage paid self-addressed envelope has been enclosed for your convenience. If you would like a copy of the results, please contact me at my school.

Sincerely,

Allan Deckard

APPENDIX B

BUILDING PRINCIPAL SURVEY

DIRECTIONS: PLEASE CHECK THE APPROPRIATE BOX OR BOXES FOR EACH QUESTION BELOW.

1. Age:
   [] under 35
   [] 35-45
   [] 46-55
   [] 56 and over

2. Sex:
   [] male
   [] female

3. Building principal experience:
   [] less than 5 years
   [] 5-15 years
   [] 16-25 years
   [] more than 25 years

4. Prior administrative positions:
   [] none
   [] assistant principal
   [] district office
   [] other_____

5. Total administrative experience:
   [] less than 5 years
   [] 5-15 years
   [] 16-25 years
   [] more than 25 years

6. Education:
   [] Masters
   [] Masters +30
   [] Masters +60
   [] Doctorate

7. Longevity in current position:
   [] less than 5 years
   [] 5-15 years
   [] 16-25 years
   [] more than 25 years

8. Current building level:
   [] elementary
   [] middle/intermediate
   [] junior high
   [] high school

9. Current building size:
   [] less than 200
   [] 200-499
   [] 500-999
   [] 1,000 or more

10. Current district size:
    [] less than 1,000
    [] 1,000-4,999
    [] 5,000-14,999
    [] 15,000 or more

11. Current salary:
    [] less than $30,000
    [] $30,000-$39,999
    [] $40,000-$49,999
    [] $50,000 or more

12. Present location by state region:
    [] western
    [] eastern
    [] southern
    [] central

13. Career goals over next 5 years:
    [] maintain principalship
    [] central office position
    [] leave administration
    [] other_____

14. Educational goals:
    [] Standard Certificate
    [] Superintendent Endorsement
    [] Doctorate
    [] none of the above
    [] other_____

PLEASE USE THE FOLLOWING DEFINITIONS IN ANSWERING QUESTIONS 15-19.

Increased Job Autonomy: greater control of factors which directly effect your building including staff selection, evaluation and development; and program development and budget.

Merit Pay: monetary compensation in addition to normal salary increase for exemplary performance. Thus, for a principal making $40,000, a 5% rate would equal a $2,000 bonus, and a 20% rate would equal $8,000.

Increased Recognition and Status: more frequent signs of appreciation from district and community for a job well done; greater respect expressed by staff and community for administrator role and responsibility.

Professional Growth Opportunities: district funded activities provided with accompanying release time from job including attendance at state and national conferences; tuition reimbursement for college coursework and training workshops; and paid leave to complete a special study program.

Career Advancement within District: promotions made available for exemplary performance, longevity in district or demonstrated leadership.

Increased District-wide Responsibilities: special assignments given such as chairmanship of curriculum committees or directorship of pilot programs.

DIRECTIONS: PLEASE CHECK ALL BOXES THAT APPLY TO EACH SEPARATE QUESTION BELOW.

15. Which of the following incentives have districts where you were an administrator used for principals?

[] Increased Job Autonomy
[] Merit Pay
[] Increased Recognition and Status
[] Professional Growth Opportunities
[] Career Advancement within District
[] Increased District-Wide Responsibilities
[] none of the above
[] other_____

16. Which of the following incentives would you prefer over a 5% merit pay award?

[] Increased Job Autonomy
[] Increased Recognition and Status
[] Professional Growth Opportunities
[] Career Advancement within District
[] Increased District-wide Responsibilities
[] none of the above

17. Which of the following incentives would you prefer over a 10% merit pay award?

[] Increased Job Autonomy
[] Increased Recognition and Status
[] Professional Growth Opportunities
[] Career Advancement within District
[] Increased District-wide Responsibilities
[] none of the above

18. Which of the following incentives would you prefer over a 15% merit pay award?

[] Increased Job Autonomy
[] Increased Recognition and Status
[] Professional Growth Opportunities
[] Career Advancement within District
[] Increased District-wide Responsibilities
[] none of the above

19. Which of the following incentives would you prefer over a 20% merit pay award?

[] Increased Job Autonomy
[] Increased Recognition and Status
[] Professional Growth Opportunities
[] Career Advancement within District
[] Increased District-wide Responsibilities
[] none of the above

20. General comments: _____

_____

_____

_____

_____

_____

_____

APPENDIX C

SUMMARY OF CHI-SQUARE SCORES AND LEVELS OF SIGNIFICANCE FOR CROSSTABULATIONS

MERIT PAY BY	CHI-SQUARE SCORE (X2)*			
	5% LEVEL	10% LEVEL	15% LEVEL	20% LEVEL
1. Age	3.833(0.280)	3.436(0.329)	2.445(0.485)	2.688(0.442)
2. Sex	0.359(0.956)	1.083(0.711)	0.031(0.994)	1.184(0.692)
3. Building Exp.	1.630(0.653)	0.535(0.911)	0.403(0.940)	2.318(0.509)
4. Prior Positions	2.185(0.823)	1.076(0.956)	3.924(0.560)	5.777(0.329)
5. Total Exper.	4.942(0.176)	1.913(0.591)	0.325(0.955)	1.502(0.682)
6. Education	0.543(0.909)	5.065(0.167)	0.550(0.908)	0.267(0.966)
7. Longevity	6.588(0.086)	1.144(0.766)	0.565(0.904)	2.000(0.572)
8. Building Level	2.127(0.546)	2.183(0.535)	0.361(0.948)	0.661(0.882)
9. Building Size	5.508(0.138)	5.691(0.128)	1.015(0.798)	0.796(0.850)
10. District Size	2.729(0.435)	1.592(0.661)	4.565(0.207)	5.772(0.123)
11. Salary	1.401(0.705)	2.380(0.497)	1.883(0.597)	2.869(0.412)
12. Location	4.488(0.213)	1.212(0.750)	2.821(0.420)	3.864(0.277)
13. Career Goals	7.621(0.054)	2.873(0.412)	6.500(0.090)	8.221(0.042)
14. Educ. Goals	8.021(0.237)	3.844(0.800)	9.090(0.246)	11.193(0.130)
15. Merit	0.005(0.911)	0.001(0.949)	0.011(0.901)	0.040(0.893)

*Levels of significance are indicated in parentheses

APPENDIX D

SUMMARY OF CHI-SQUARE SCORES AND LEVELS OF SIGNIFICANCE FOR ADDITIONAL CROSSTABS

COMPARISON	CHI-SQUARE SCORE (X2)*			
	5% LEVEL	10% LEVEL	15% LEVEL	20% LEVEL
1. Career by Long.	6.892(0.075)	6.155(0.104)	3.147(0.370)	1.602(0.659)
2. Growth by Growth	0.057(0.922)	0.000(0.999)	0.695(0.840)	0.003(0.994)
3. Ed. Goals by Education (no separate levels needed)				20.407(0.496)

*Levels of significance are indicated in parentheses